FOREIGN
BROADCAST
INFORMATION
SERVICE

# Daily Report

# East Europe

FBIS-EEU-93-167
Tuesday
31 August 1993

# Daily Report
## East Europe

*FBIS-EEU-93-167* CONTENTS *31 August 1993*

**NOTICE TO READERS:** An * indicates material not disseminated in electronic form.
An Ω indicates a Foreign Media Note.

### INTERNATIONAL AFFAIRS

- Update on War in Bosnia; Talks Resume in Geneva ... 1
  - Compromise Maps To Be Discussed *[TANJUG]* ... 1
  - Formal Responses Due *[AFP]* ... 1
  - Owen Increases Pressure *[AFP]* ... 1
  - Owen Welcomes U.S. Plan *[AFP]* ... 2
  - Izetbegovic, Cochairmen Meet *[Sarajevo Radio]* ... 2
  - Bulatovic: No Other Solution *[TANJUG]* ... 3
  - Sanctions Encourage Separatists *[TANJUG]* ... 3
  - Russia Willing To Send Troops *[AFP]* ... 3
  - Bulgarian Official Comments *[Belgrade TV]* ... 4
  - Ikonomov Views Sanctions *[BTA]* ... 4
  - Hungarians Withholding Aid *[TANJUG]* ... 4

### ALBANIA

- Selami, German Deputy Discuss Crisis in Balkans *[ATA]* ... 5
- Arbnori Briefed on Work of Pogradec Government *[ATA]* ... 5

### BULGARIA

- Zhelev Marks Boyana News Conference Anniversary *[Sofia Radio]* ... 6
- Daskalov Calls Neev Meeting With Serbs 'Delicate' *[KONTINENT 27 Aug]* ... 6
  - Berov Urged To Dismiss Neev *[KONTINENT 27 Aug]* ... 6
- Defense Ministry Sees Wider Balkan War as Unlikely *[POGLED 23 Aug]* ... 7
- Ukrainian Ambassador to Bulgaria Views Relations *[DUMA 23 Aug]* ... 8
- Yordanov Opposes Violating Embargo *[TRUD 23 Aug]* ... 8
- Dimitrov Reacts to Zhelev's SDS Criticism *[BTA]* ... 9
- Tomov Lists Parliament's Tasks for Autumn *[24 CHASA 25 Aug]* ... 9
- Podkrepa Against Union Property Holding Company *[KONTINENT 25 Aug]* ... 10
- BZNS Leader Views Cooperation With SDS *[ZEMEDELSKO ZNAME 25 Aug]* ... 10
- Opposition VMRO Leaders Explain Objectives *[DEMOKRATSIYA 25 Aug]* ... 11

### CZECH REPUBLIC

- Havel Threatens To Resign Over 'Racist' Law *[CTK]* ... 13
- Klaus Rejects Idea of Subsidized Agriculture *[TELEGRAF 25 Aug]* ... 13
- Ruml: Scandals May Help Left Wing in Elections *[MLADA FRONTA DNES 23 Aug]* ... 13
- Coalition To Demand Chief Prosecutor's Resignation *[CTK]* ... 14

### SLOVAKIA

- Meciar Comments on Talks in Moscow *[REPUBLIKA 25 Aug]* ... 15
- Meciar Interviewed on Government Stability *[Bratislava Radio]* ... 16
- Forty Percent Do Not Support Any Party *[NARODNA OBRODA 25 Aug]* ... 17
- Slovak-Russian Treaty Called 'Catastrophic' *[CTK]* ... 17
- SDL, SDSS Leaders Sign Cooperation Protocol *[CTK]* ... 18
- Consumer Prices Rose 15 Percent Since Dec *[Bratislava Radio]* ... 18
- Agreement on Refugees Signed With Poland *[CTK]* ... 18

## HUNGARY

- Visiting French Minister on Bosnian Air Strikes *[MTI]* .... 19
  - German Relations *[Budapest Radio]* .... 19
- Antall Sees EC Membership by End of Decade *[MTI]* .... 19
- Jeszensky Views European Integration *[MLADA FRONTA DNES 23 Aug]* .... 20
- Boross on Domestic Situation, Party Politics *[TALLOZO 26 Aug]* .... 22
- Csurka Suggests Right, Left Cooperate *[PESTI HIRLAP 26 Aug]* .... 23
- Participants of Szarszo Meeting Issue Statement *[MAGYAR HIRLAP 30 Aug]* .... 23
  - Editorial Views Meeting *[NEPSZABADSAG 27 Aug]* .... 24
- Free Democrats To Cooperate With Young Democrats *[MTI]* .... 24
- Unemployment Rate Falls in First Six Months *[MTI]* .... 25

## POLAND

- Defense Minister Comments on Yeltsin Visit *[POLSKA ZBROJNA 26 Aug]* .... 26
  - Presidential Spokesman Comments *[POLSKA ZBROJNA 26 Aug]* .... 26
  - Commentaries on Visit *[GAZETA WYBORCZA 23 Aug, etc.]* .... 26
- IMF Mission Satisfied With Economic Results *[PAP]* .... 27
- Labor Union Election Chief on Politics *[Warsaw Radio]* .... 27

## ROMANIA

- New Trade Minister Ionescu Explains Objectives *[Bucharest Radio]* .... 31
  - New Economic Chief Views Tasks *[Bucharest Radio]* .... 31
  - New Culture Minister on Goals *[Bucharest Radio]* .... 31
  - New Sports Minister on Tasks *[Bucharest Radio]* .... 32
- Opposition Demands Investigation of New Ministers *[ROMPRES]* .... 32
- Melescanu, Moldova's Certan Discuss Fuel Deliveries *[ROMPRES]* .... 32
- Spiroiu Favors 'Indefinite' Ties With Hungarian Army *[ROMPRES]* .... 32
- Nastase Views PDSR's Social-Democratic Goals *[ROMANIA LIBERA 27 Aug]* .... 33
- Aid to Moldova Seen as Means To Reduce Deficit *[EVENIMENTUL ZILEI 24 Aug]* .... 34
- Extraordinary Parliament Session on Corruption Opens *[ROMPRES]* .... 34
- ECONOMISTUL Reviews Financial Situation *[ROMPRES]* .... 35
- Former Minister Babiuc Discusses Judicial System *[ROMANIA LIBERA 20 Aug]* .... 35

## BOSNIA-HERZEGOVINA

- Izetbegovic To Sign Geneva Accord, Resign *[TANJUG]* .... 37
- Izetbegovic, Pejanovic Issue Statements *[Sarajevo Radio]* .... 37
- Izetbegovic Warned Against Unrealistic Expectations *[TANJUG]* .... 37
- Karadzic Rules Out Further Negotiations on Territory *[Belgrade TV]* .... 38
- Stoltenberg Optimistic Peace Plan Can Be Enforced *[TANJUG]* .... 38
- Muslims Continue To Violate Cease-Fire *[TANJUG]* .... 38
- Muslims Attack Serb Positions Near Foca, Cajnice *[TANJUG]* .... 38
- Muslim, Croat Battle Continuing in Mostar .... 39
  - Heavy Croat Shelling Reported *[Sarajevo Radio]* .... 39
  - Muslim Civilians Targeted *[Sarajevo Radio]* .... 39
  - Muslims Holding Spanish Troops *[AFP]* .... 39
  - Muslim Attack Reported *[Zagreb Radio]* .... 40
  - Air Drops Over Mostar, Maglaj *[Berlin DDP]* .... 40
  - B-H Defense Ministry Official Comments *[Sarajevo Radio]* .... 40
- HVO Reports Muslim Attacks on Zaselje, Zabrdje *[Zagreb TV]* .... 41
- HVO Expels 2,000 Civilians From Prozor, Burns Villages *[Sarajevo Radio]* .... 41
- Croat Refugees Evacuated From Vares *[Zagreb Radio]* .... 41
- Bishop Presents Croat Casualty, Exile Figures *[AFP]* .... 42
- UNHCR Reports on Difficulties for Aid Convoys *[TANJUG]* .... 42
- Fresh Relief Supplies for Muslim Enclaves Arrive *[TANJUG]* .... 42
- Van den Broek Criticizes Owen's Approach *[Rotterdam NRC HANDELSBLAD 28 Aug]* .... 42
- Srpska Republic General on War Exploits *[Belgrade NIN 23 Jul]* .... 44
- Proposals for Tuzla Joining Yugoslavia Supported *[Belgrade POLITIKA 11 Aug]* .... 47
- Banja Luka Official on Future Problems *[Belgrade NIN 23 Jul]* .... 47

## CROATIA

Serbs Attack Ogulin; UN 'Inefficient' *[Zagreb Radio]* ..... 49
Tudjman, Boban Go To Geneva; View Next Round of Talks *[Zagreb Radio]* ..... 49
  Granic Promises To Pressure Herceg-Bosna *[Zagreb Radio]* ..... 49
Crime, War Profiteering in RSK, Serbia *[POLITIKA 28 Jul]* ..... 50
  Commissions Fighting Crime *[Belgrade BORBA 13 Aug]* ..... 51
Surviving in Republic of Serbian Krajina *[Belgrade POLITIKA 5 Aug]* ..... 53
Istria's Demands for Autonomy Discussed *[Belgrade VREME 9 Aug]* ..... 53
Opposition Pressure on HDZ *[DANAS 6 Aug]* ..... 54

## SLOVENIA

Peterle Rejects UN's Idea of Integration of Refugees *[Ljubljana Radio]* ..... 57
Economy Collapses After Break With Yugoslavia *[TANJUG]* ..... 57
New Details on Arms Smuggling to Bosnia *[Zagreb GLOBUS 13 Aug]* ..... 57
  Jansa Interviewed *[DELO 13 Aug]* ..... 59
  Top Officials Implicated *[Belgrade VREME 9 Aug]* ..... 62
  Foreign Ministry Disputes Kucan's Claims *[Ljubljana Radio]* ..... 64
  Smuggling Connections Viewed *[Zagreb DANAS 6 Aug]* ..... 64

## YUGOSLAVIA

### Federal

UN Sanctions Committee Blocking Humanitarian Aid *[TANJUG]* ..... 67
Simic Discusses Sanctions With Bulgarian Official *[TANJUG]* ..... 67
Severe Drought Threatens 'Shattered' Economy *[TANJUG]* ..... 67
Inflation Reaches 32-Million-Percent Mark *[Belgrade Radio]* ..... 68
  Increases Announced for Aug *[TANJUG]* ..... 68
Bankers, Businessmen on Economic Chaos *[POLITIKA 5 Aug]* ..... 68
State 'Plundered' Citizens of $15 Billion *[VREME 9 Aug]* ..... 69
Bank Governor's 'Suicidal' Policy Attacked *[VREME 2 Aug]* ..... 71
Questions on Government Minimum-Salary Decision *[POLITIKA 1 Aug]* ..... 72
Price Freeze To Increase Protests *[VREME 26 Jul]* ..... 73
Military Threatens To Create 'European Vietnam' *[POLITIKA 14 Aug]* ..... 74

### Serbia

DS Welcomes Decision To Accept Geneva Plan *[TANJUG]* ..... 75

### Macedonia

Ministry Denies Gligorov Met With Greek General *[MILS-NEWS]* ..... 75
'Major Rift' in Democratic Prosperity Party *[TANJUG]* ..... 76

## Update on War in Bosnia; Talks Resume in Geneva

### Compromise Maps To Be Discussed

*LD3108104593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1009 GMT 31 Aug 93*

[Excerpt] Geneva (TANJUG) [no date as received]—The leaders of the Serbs, Croats, and Muslims in the former Yugoslav republic of Bosnia-Herzegovina resumed their talks at UN headquarters in Geneva on Tuesday at around 1100 [0900 GMT]. At the talks all three warring Bosnian sides should state definitively whether they accept the compromise maps of the division of this former Yugoslav republic into three ethnic states in the framework of the Union of Bosnia-Herzegovina.

Milosevic, Tudjman, and Bulatovic have arrived in Geneva at the invitation of Lord Owen and Thorvald Stoltenberg, cochairmen of the conference on the former Yugoslavia. [passage omitted]

### Formal Responses Due

*AU3108091693 Paris AFP in English 0857 GMT 31 Aug 93*

[Text] Geneva, Aug 31 (AFP)—Peace talks between the warring Bosnian factions resumed here Tuesday morning after an 11-day interruption called to allow consultations among the Moslem, Serb and Croat communities on proposed partition plans for the country.

The formal responses are due to be presented at the talks here.

Both the Moslem-led government and Bosnian Croats have said they would be demanding more land from the Serbs than originally proposed under a plan presented here.

### Owen Increases Pressure

*AU3108080993 Paris AFP in English 0825 GMT 31 Aug 93*

[Text] Geneva, Aug 31 (AFP)—Bosnia mediator Lord Owen on Tuesday stepped up pressure on the Moslems and Croats to sign a peace deal, warning there was a "real danger" the Serbs could cut the country in two.

Owen said before the resumption of talks on the ethnic partition of Bosnia that he was "apprehensive" the warring parties could miss a golden chance to end the 17-month-old conflict in crucial negotiations here this week.

The three parties were due to give their formal response Tuesday but the Moslem-led Bosnian Government has said it would seek substantial changes in the plan which President Alija Izetbegovic rejected Monday as "worse than war."

Bosnian Croats also demanded more land while the Serbs, who have agreed to cut the territory they hold from a current 70 percent of Bosnia to 52 percent, threatened to withdraw the concessions if the others balk.

Owen said there was "not a lot" of margin for negotiation of the proposed settlement and warned that the alternative was continued war.

"I think that you will find that it will restart in the east with the real danger that the Serb forces will cut the country in two," the European Community mediator said.

He said the latest plan to split Bosnia-Herzegovina into three ethnically based republics left the combatants "within the sight of peace."

Owen added however, "There's too much talk of continuing the war from the parties to my liking. I must say and I am somewhat apprehensive about the outcome, but we'll see."

With the year-old Geneva peace conference moving to a climax, Owen would not say what diplomatic options were available if the plan was rejected beyond reporting back to the UN Security Council.

"I've been at it a year, trying to get a settlement with these characters," the former British foreign secretary said. "I think it would be tragedy if this opportunity was lost."

UN envoy Thorvald Stoltenberg indicated the negotiations on the plan, which would give the Moslems 30 percent of Bosnia and the Croats 18 percent, were coming to a close one way or the other.

"Whatever the choice, it will not be much longer," he said.

The mediators have held out scant hope of cutting a better deal for the Sarajevo government. Owen also said the Moslems won a "terrific gain" with assurances by the United States and NATO that they would help police a settlement.

Owen also said that Russian participation was necessary in a UN force supervising the settlement, estimated at 40,000 to 50,000 men.

He expressed confidence that Moscow would contribute and said the mediators would meet here Wednesday with Russian Foreign Minister Andrei Kozyrev.

The peace negotiations were scheduled to resume Monday but were delayed a day because of transport problems encountered by Izetbegovic's delegation in leaving Sarajevo.

Also scheduled to take part in the talks were Bosnian Serb leader Radovan Karadzic, separatist Croat chief

Mate Boban and presidents Slobodan Milosevic, Franjo Tudjman and Momir Bulatovic of Serbia, Croatia and Montenegro.

Tudjman said on leaving Zagreb for Geneva early Tuesday he hoped it would be "the last round of negotiations" and thought "the Moslems have no other choice than to accept the Geneva plan in the name of peace," Zagreb radio reported.

Boban, who also flew out of Zagreb Tuesday, said "if the other two parties accept the plan, we will also accept it."

### Owen Welcomes U.S. Plan

*AU3108090093 Paris AFP in English 0846 GMT 31 Aug 83*

[Text] Geneva, Aug 31 (AFP)—Meanwhile, Owen said in a BBC radio interview that Monday's statement by U.S. President Bill Clinton that he would commit U.S. troops for peacekeeping in Bosnia if a just, enforceable agreement, which had the support of the Bosnian Moslem government, was reached.

The statement, said Owen, was "the most positive thing to come out from the United States on Bosnia for months and months."

He said Clinton's statement "helps tremendously" and was "important for the Moslems because they do trust the United States."

He said there was "now a chance to get a settlement."

Owen added that although "their public statements are certainly not compatible with peace...it will be round the table that they will reveal their bottom line positions."

### Izetbegovic, Cochairmen Meet

*AU3108115293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 31 Aug 93*

[Report by correspondent from Geneva]

[Text] Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina, who is leading our country's delegation at the latest round of negotiations in Geneva, has held talks with Lord David Owen and Thorvald Stoltenberg, cochairmen of the conference on the former Yugoslavia, in Geneva this morning.

The talks were held at the request [words indistinct] and were devoted to the results of the Bosnia-Herzegovina Assembly session and the positions of our country's delegation in the negotiations. President Izetbegovic conveyed to the two mediators the views (?adopted) in Sarajevo, the views that (?favor) the continuation of the negotiations [words indistinct] the tenets of the London Conference and the Security Council resolutions. [Words indistinct] unacceptability of the fait accompli and the legalization of the results of the aggression is being stressed. Those towns in which genocide has been carried out cannot belong to the aggressor side.

It is still not known whether the (?talks) between Owen and Stoltenberg, and Izetbegovic, Mate Boban, the leader of the Bosnia-Herzegovina Croats, and Radovan Karadzic, president of the so-called Srpska republic, will be held today. If the talks do take place, they will undoubtedly be very difficult and complicated, because the two cochairmen warned about 10 days ago that the (?opening) of the Geneva package and changes to the offered solutions could lead to the escalation of the war in Bosnia-Herzegovina.

The possibility of talks starting today between the delegation of the so-called Croatian republic of Herceg-Bosna and the Serbian side has not been ruled out here in the Palais des Nations, because they have more or less accepted the Geneva package. Some people here hold the view that this move would be irresponsible and politically damaging (?and) that it could lead to the (?escalation) of fighting in Bosnia-Herzegovina. It has also been noticed that both Boban's and Karadzic's delegations consist of a fairly large number of members, which indicates that they would not suddenly leave the negotiations.

The main (?sponsors) of the Geneva plan on dividing Bosnia-Herzegovina into three republics (?are) Presidents Tudjman and Milosevic, from whom the mediators are expecting more or less discreet pressure on the others not to allow the negotiating process to go off the rails.

Because of the usual problems (?concerning flights) from Sarajevo, the delegation of our country arrived in Geneva late last night. President Izetbegovic last night held talks with special U.S. envoy Charles Redman. He briefed him on the positions of the Bosnia-Herzegovina Assembly. Izetbegovic especially stressed the importance of the refugees returning to their homes and the free activities of all political parties on the territory of all three republics in Bosnia. [Words indistinct] character of economic trends, which is certainly an important element of new [word indistinct] in Bosnia-Herzegovina, and the preservation of the country's (?integrity).

This morning, President Izetbegovic received Mr. (Jelinek), Germany's permanent representative at the United Nations in Geneva, who conveyed him the message of German Foreign Minister Klaus Kinkel. The message states that Minister Kinkel and French Foreign Minister Juppe asked President Tudjman and the Croatian side to ensure the humanitarian convoy's entry to Mostar and to enable the Red Cross to reach the (?regions) controlled by the Croatian Defense Council.

The two ministers asked the Bosnian side to ensure the free movement of convoys in central Bosnia and access to the three Croat enclaves. The German ambassador informed President Izetbegovic that Croatian Foreign Minister Mate Granic has promised that the Red Cross will enter the camps in Mostar and in the surrounding areas today at the latest.

### Bulatovic: No Other Solution

*LD3108105693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1010 GMT 31 Aug 93*

[Text] Geneva, 31 Aug (TANJUG)—Montenegro President Momir Bulatovic stated just prior to the beginning of today's round [of talks in Geneva] that everyone in the Federal Republic of Yugoslavia, in Bosnia-Herzegovina, and throughout the world is expecting that it will bring about the beginning of peace in the former central Yugoslav republic. President Bulatovic expressed the expectation that all dilemmas being brought to today's session would be removed. "It would be rational for an agreement to be reached today," Bulatovic said, adding that he does not see any other solution.

### Sanctions Encourage Separatists

*LD3008180593 Belgrade TANJUG in English 1750 GMT 30 Aug 93*

[Text] Belgrade, August 30 (TANJUG)—Maintaining U.N. sanctions against the Federal Republic of Yugoslavia (F.R.Y.) encouraged expectations of ethnic Albanian separatists that the international community would help them to secede the Kosovo and Metohija province from the F.R.Y., Yugoslav officials set out in a talk Monday with visiting British parliamentarians.

There is a general consensus among all the parliamentary parties in the F.R.Y. that the southern Kosovo and Metohija province is an integral and inseparable part of Serbian i.e., Yugoslav territory, said members of the Yugoslav Federal Assembly foreign policy and economic relations committees.

The British parliamentarians, headed by Conservative David Faber, showed most interest in the situation in Kosovo, where a strong separatist movement of ethnic Albanians was active for two decades. They stated fear that a crisis could escalate to assume proportions of a open rebellion of the Albanian minority.

Yugoslav delegation head Borisav Jovic said an eruption of open rebellion of ethnic Albanians, which make up a sizable portion of the population, "depended solely on whether the West would provide support to the secessionist movement."

Deputy from the opposition DEPOS bloc Milan Komnenic said that the very moment ethnic Albanians clearly state they wished to remain in Serbia and the Federal Republic of Yugoslavia the Kosovo issue would be solved easily and swiftly.

Ethnic Albanian separatists do not want to exercise the rights guaranteed by the country's constitution, but wish full independence and secession, said deputy from the opposition Serbian Radical Party Igor Mirovic.

The Federal Assembly's Republics and Provinces Chamber President Milos Radulovic also talked with the British parliamentary delegation.

Speaking about the adverse effects of the sanctions, Radulovic especially pointed out to their negative influence on economic development and the process of democratization.

Yugoslav Prime Minister Radoje Kontic extensively informed members of the British parliament group made up of representatives from the Conservative, Labor and Democratic-Liberal parties, about the devastating effects of the sanctions.

The sanctions have brought Yugoslavia into total international economic, political and scientific-cultural isolation, checked the process of market tranformation of the economy and significantly contributed to the difficult social situation in the country, said Kontic.

### Russia Willing To Send Troops

*AU3108111893 Paris AFP in English 1106 GMT 31 Aug 93*

[Text] Geneva, Aug 31 (AFP)—Russia is ready to contribute troops to a UN force policing an eventual peace accord in Bosnia-Herzegovina, but has limited manpower available, Foreign Minister Andrei Kozyrev said Tuesday.

Kozyrev spoke after a meeting with UN Secretary General Butrus Butrus-Ghali, who said he requested Moscow's help in implementing any Bosnian settlement and got "a very positive" reply.

The Russian chief diplomat was more circumspect, however, and said he would have to examine the specific UN request once made after a peace agreement for Bosnia was nailed down.

Kozyrev recalled that Russia had already deployed peacekeeping forces in areas such as the troubled Caucasus region of Abkhazia. It also has about 840 troops in eastern Croatia.

"We have difficulties in finding additional troops for peacekeeping," he told reporters. "We will find (them) and we will contribute but the numbers can be specified only after the whole process is on track."

Officials have estimated that some 40,000 to 50,000 troops would be needed to police an agreement once reached by the warring Bosnian Serbs, Moslems and Croats.

Diplomatic sources said the United States was prepared to provide 20,000 to 25,000 but concern has been raised about the possibility of finding soldiers elsewhere on top of the nearly 9,000 already protecting relief convoys.

Western officials also said that it would be politically crucial for Russia, traditionally an ally of the Serbs, to contribute to the UN contingent.

Butrus-Ghali is due to discuss the policing of a Bosnia accord at a meeting here Wednesday with Manfred Woerner, secretary general of the North Atlantic Treaty Organisation.

### Bulgarian Official Comments

*AU3008194193 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 30 Aug 93*

[Interview with Bulgarian Deputy Foreign Minister Dimitur Ikonomov by Zeljko Avramovic in Belgrade on 30 August—recorded; Ikonomov speaks in Bulgarian with superimposed Serbo-Croatian translation]

[Text] [Avramovic] Mr. Ikonomov, the damage suffered by Bulgaria in the last 15 months—this is how long the sanctions against Yugoslavia have been in force—is already adding up to billions of dollars. What is Sofia's official view on the sanctions against our country?

[Ikonomov] Sofia's official view has always been expressed in the same way. This view has not changed. We still consider the sanctions to be part of the political solution to the crisis in the former Yugoslavia. Of course, the damage suffered by Bulgaria is extremely great, but Bulgaria will seek a solution to this problem within the international community. This is the path we would also like to pursue in the future because we understand the problems in the neighboring Republic of Yugoslavia better than others.

[Avramovic] What is your view on the general peace efforts made by Yugoslavia at stopping the war in Bosnia-Herzegovina?

[Ikonomov] I had the opportunity to acquaint myself with the views of not only Belgrade but also Croatia. We would also like to hear some other views concerning this conflict. There are, of course, some moves that instill hope, but we are either moderate optimists or moderate pessimists. I do not know which one of these two attitudes is more correct.

We expect the crisis in Bosnia-Herzegovina to be solved through political means and the political solution to be more dominant than the military one.

[Avramovic] Thank you very much.

### Ikonomov Views Sanctions

*AU3008194093 Sofia BTA in English 1822 GMT 30 Aug 93*

[Excerpts] Sofia, August 30 (BTA)—Deputy Foreign Minister Dimitur Ikonomov visited Croatia and Slovenia on August 27 and 28, the Bulgarian Foreign Ministry said today. [passage omitted]

Today Mr. Ikonomov, who yesterday arrived in Belgrade, was received by the new Yugoslav Premier Zeljko Simic, until recently personal adviser to Serbian President Slobodan Milosevic, and by Deputy Foreign Ministers Bulajic and Cicanovic, DUMA's correspondent in Belgrade Goran Gotev said in National Television's evening news broadcast. Mr. Ikonomov said Bulgaria will look for a way out of the difficulties resulting from the implementation of the embargo on Yugoslavia within the framework of the international community. He stressed Sofia sees the sanctions as part of a political settlement to the crisis in former Yugoslavia. Bulgaria counts on a settlement to the Bosnian crisis by political means, he said.

### Hungarians Withholding Aid

*LD3008183793 Belgrade TANJUG in English 1719 GMT 30 Aug 93*

[Text] Belgrade, August 30 (TANJUG)—The Hungarian authorities are withholding for a long time humanitarian supplies intended for Serbs in the western part of the former Yugoslav Republic of Bosnia-Herzegovina which have been donated by Serbs living in France, the Bosnian Serb Army Press Centre in Banja Luka said in a statement.

Two months ago, a Paris-based Serb association and the Serbian Orthodox Church sent a large number of packages containing medicine, food, clothing and personal care items but the Hungarian authorities have not yet allowed the trucks carrying those goods to cross the border, the statement says.

We have learned from well-informed sources that Hungarian authorities, linked with criminals, seize humanitarian supplies and sell them throughout Hungary, the statement says.

Humanitarian organizations in Banja Luka are surprised by this deeply inhuman and cynical attitude of the Hungarian authorities, all the more so because humanitarian supplies intended for Bosnian Croats and Moslems pass the Hungarian border without any delay at all, says the statement.

Humanitarian aid relief intended for Bosnian Serbs travels mostly through the Federal Republic of Yugoslavia, which is under an international blockade because of its alleged involvement in the civil war in Bosnia-Herzegovina although it has no troops in its territory.

Despite the fact that humanitarian supplies are exempted from the United Nations sanctions, the authorities in some neighbouring countries frequently withhold such goods intended for Yugoslavia and Bosnian Serbs so that certain medicaments, by the time they reach their destination, are no longer good for use.

## Selami, German Deputy Discuss Crisis in Balkans

*AU2908141793 Tirana ATA in English 1057 GMT 27 Aug 93*

["'Albania—A Factor of Stability in the Balkan Region'—Joint Press Conference of the Chairman of the Albanian Democratic Party Eduard Selami and Stephan Schwartz, Deputy in the European Democratic Union and German Parliamentary Deputy of the Democratic Party"—ATA headline]

[Text] Tirana, August 27 (ATA)—"Economic development in Albania has been hindered by the shadow of war in the Balkans, therefore, Europe, which has been following the situation, should support Albanian development as Germany has done," declared Mr. Schwartz at the joint press conference he held with Democratic Party Chairman Selami.

Stephan Schwartz, aged 33, is one of the most active deputies of the German Parliament on the crisis in former Yugoslavia. Mr. Schwartz, who is visiting Albania at the invitation of the Democratic Party, said at the press conference that "everything in Albania shows that progress has been made, and, although the people recognize the economic difficulties, they seem optimistic." Mr. Schwartz said that his talks here covered areas in which German aid will be concentrated in the future. As an analyst of the crisis in the former Yugoslavia, Mr. Schwartz discussed the current situation in the conflict, its causes and consequences. According to Schwartz, Serbian President Milosevic's goals and methods are "the same as those of Hitler, and this is unacceptable to the West." "If the international community continues to act in a timid and hesitant manner, we should not be surprised to see a new world war by the end of this century," he added.

Deputy Schwartz, repeatedly referred to Albania's active role in the peace process in the region through its example of stability, saying "we greatly need you."

Responding to a reporter's question asking what hinders NATO and the UN from intervening in the conflict, Mr. Schwartz cited a NATO officer as saying: "Through the use of satellite imagery, we can find the exact locations of the Serbian forces, and in 72 hours we could win the land battle. But, we lack the political leadership."

Regarding the probability of a spill over of the conflict into Kosova, Mr. Schwartz said: "All measures have been adopted to block Serbian aggression in Kosova, and Mr. Milosevic has been warned that Serbia will be showered with bombs if Kosova is touched."

Regarding the issue of unifying the Albanian territories, Mr. Schwartz referred to the German example. Further, he stressed that "Albania must be better known so that it can better capture the attention of the world. It is Albania, itself, that can do this job better than any one else."

## Arbnori Briefed on Work of Pogradec Government

*AU2908204693 Tirana ATA in English 0809 GMT 29 Aug 93*

[Text] Tirana, August 29 (ATA)—The speaker of the Albanian Parliament, Pjeter Arbnori, had a meeting with members of the Council of the Pogradec District, the municipality, chairmen of communes, deputies of the district.

The council chairman of the district made a presentation of the work of the local government. Employment, housing and implementation of the law on land have been three main problems for the council during the latest period. The mayor of Pogradec spoke about the activity of the municipality concentrating on some sharp problems of the transition period.

Other advisers spoke in the meeting asking from the government to consider Pogradec a special case. Mr. Arbnori outlined the role and function of the local government. "We," he said, "are working to complete the laws on local government, in order that it has its own budget and assets." Mr. Arbnori said that the new experience cannot be applied at once but it needs work and sacrifices. Then, he concentrated on the importance of knowing the competence of the local government, the compilation of the status of the official. Soon, the parliament will adopt a number of laws which are important for the activity of the local government.

## Zhelev Marks Boyana News Conference Anniversary

*AU3008184993 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 30 Aug 93*

[Statement by President Zhelyu Zhelev in Sofia on 30 August—recorded]

[Text] Today we mark the first anniversary of President Zhelev's famous news conference, which history will remember as the "Boyana meadows" news conference.

This was the first occasion on which relations between the president and the Union of Democratic Forces [SDS] on whose ticket he was elected began to deteriorate until they reached today's irreconcilability.

The president made a special statement for Khorizont Radio Network and Bulgarian National Radio by talking to correspondent Diana Yankulova, in which he assessed and explained his move at the aforementioned news conference:

[Begin Zhelev recording] Unfortunately, all my warnings and worst expectations were confirmed. Those who still remember the contents of my statement and answers to correspondents' questions at the Boyana news conference know very well the sincere concern with which on that day I warned the SDS National Coordinating Council and Filip Dimitrov's government by telling them that their methods of confrontation are likely to lead them to the brink of disaster and that this would be absolutely inevitable, considering that they had won the elections by only 34 percent of the votes, which was far from the absolute majority.

Today I can, unfortunately, say that all this has come true and that those responsible for all these misfortunes are trying to find other scapegoats for their guilt, while they should assume the responsibility for having forfeited the election victory, as a result of which they had won the executive power, the majority in parliament, and the presidential institution, and for having lost all these assets out of sheer stupidity. [end recording]

## Daskalov Calls Neev Meeting With Serbs 'Delicate'

*AU3008110093 Sofia KONTINENT in Bulgarian 27 Aug 93 p 2*

[Report by Lyubomira Nikolaeva: "According to Minister Daskalov, Specific Events in Balkans Made Neev's Meeting With Serbian Delegation Delicate"]

[Text] Neycho Neev met the Serbian politicians on 25 August as a private person and not as deputy prime minister. From his terse explanation it became apparent that the delegation came to Sofia without any invitation.

The deputy prime minister is prepared to answer any questions, even until the journalists exhaust themselves, but this is likely to happen at the beginning of next week, not now. He expressed bitterness to KONTINENT that his views on initiating a more active foreign and internal policy encountered opposition and have become the subject of sordid speculations.

The governmental Press Center reported that it has no information about the meeting. It did not deem it necessary to explain why the cabinet distanced itself from the unofficial and private talks. The meeting took place during an unofficial luncheon. The Press Center issued its announcement at about 2030 [1730 GMT].

The unofficial delegation of the Federal Republic of Yugoslavia visited Sofia yesterday and the deputy prime minister had an unofficial meeting with its members, but neither we nor the prime minister knew anything about it, therefore we cannot commit ourselves to any commentary, Foreign Minister Stanislav Daskalov said to KONTINENT. According to him under normal conditions such a meeting could take place, but "under the actual conditions in our region at present," make all interpretations of the meeting a delicate subject.

Even after reading Trenchev's open letter with the demand to strip Neev of his prerogatives as deputy prime minister, the government refrained from declaring a position.

From Berov's office it was announced that contacts with the prime minister can be organized only through the Press Office. For his part, the Press Center stated that only the government spokesman is authorized to answer questions. He promised to clarify the issue of "when and if the government decides to make a statement." In addition, it became clear that the prime minister will not attend his Friday briefing, "because it was not necessary, and because there were more important things." Three ministers will meet with the journalists.

The reporters who cover cabinet operations began to take bets on who will explain on 27 August that once again the journalists should be blamed for everything.

## Berov Urged To Dismiss Neev

*AU3008110293 Sofia KONTINENT in Bulgarian 27 Aug 93 p 8*

[Unattributed commentary: "Neev's Place Is at United Nations"]

[Text] Berov was repeatedly warned to better select his aides, so that they would not discredit the government with their actions and statements in Bulgaria and abroad. The prime minister did not heed this advice, and the results are obvious.

After the 23 August blunder of spokesman R. Raykov, who said that a deputy foreign minister [Dimitur Ikonomov] was in Belgrade without Ikonomov even knowing about it, on 25 August it became known that Deputy Prime Minister Neev conducted talks with high-ranking Serbian politicians without the knowledge of the cabinet. Those secret talks could prompt the international community to suspect certain Bulgaria's intentions, for example on supplying Serbia with weapons. This would hardly serve Bulgaria's interests at present.

Every prime minister should remember the history of his predecessors. This also applied to Berov.

Some of Filip Dimitrov's history is well-known. His adviser, Konstantin Mishev, also displayed such an independent initiative at the time. He travelled as a "private person," (without the knowledge of the prime minister) to Macedonia in order to arrange various business deals, and (again without the knowledge of the prime minister), extensively engaged in counterdisinformation.

Everyone knows what happened to the former prime minister. If Berov does not want to suffer Filip Dimitrov's fate, he must get rid not only of the spokesman and the deputy prime minister, but also of all other members of his cabinet whose brains are not functioning properly.

Neycho Neev's place is at the United Nations, which is full of officials who only talk without doing anything. Let him learn English and go there, at least then he will be harmless.

## Defense Ministry Sees Wider Balkan War as Unlikely

*AU3008094393 Sofia POGLED in Bulgarian 23 Aug 93 p 8*

["Viewpoint of the Ministry of Defense in connection with the scenario developed in the article entitled: 'A New Balkan War May Break Out on 15 August 1993'"]

[Text] The Ministry of Defense is closely following the development of the situation in former Yugoslavia: the aftermath of the disintegration of the federation; the armed conflicts that have broken out; the continuing Bosnian crisis and the likelihood of military operations extending beyond their framework so far; the sociopolitical, economic, and military situations in the former republics; the international efforts, including military ones, that are being made to resolve the Yugoslav crisis; the analyses and assessments of this crisis; the military policies of the neighboring states; and so forth.

It is customary practice for international and national centers and institutes for strategic analyses and studies to draft and present to the public at large, as well as to state institutions, their papers, forecasts, assessments, and scenarios concerning the possible evolution of the situation in a certain region or a certain state. Unfortunately, some of these are confirmed by real life, and the expected negative consequences are even surpassed in reality. This was the case with the 1990 forecast that the SFRY [Socialist Federal Republic of Yugoslavia] would disintegrate within 18 months.

Apart from the scenario described in the referent article, other scenarios and versions have also received wide publicity that, according to their authors, may lead to a third Balkan war. All of these are based on unfavorable conditions, premises, and processes that exist in reality and are an emanation of a contradictory development in the region as a whole and a crisis situation in the certain countries in their postcommunist period. However, a multitude of varied factors, including international ones, affect the evolution of these processes into extremely negative trends, posing a threat to peace and security in the Balkans. The factors that form the basis of the above-mentioned scenario, for example, and which should be taken into account, evidently include existing nationality and ethnic problems, unconcealed national interests, and established alliance relationships. All these might continue to remain potential sources of tension in the future, until such a time as we establish a reliable structure and guarantees for security in a regional and European framework.

The evolution of the military-political situation in the former Yugoslavia and the Balkans from the end of 1992 to the present provides no grounds to expect that a regional conflict will break out on 15 August 1993. The changes that have occurred in this situation as a result of the committed international efforts to prevent the military actions from spreading into the territory of Serbia (Kosovo and Sandjak), and especially into Macedonia, are exerting a pronounced containing and stabilizing effect. Macedonia is cited in all the scenarios as the center point of the severe conflict problems and disputes, as the tinderbox that may cause a Balkan war to flare up. However, the role of this factor is considerably weakened by the stationing of UN peacekeeping forces there, especially the U.S. contingent.

It is well known that the reasons that may cause a war to break out are very complex. From a purely military viewpoint, a system of indicators exists, whose evaluation enables one to draw the appropriate conclusions. The position of Bulgaria in the Balkans and the policy that it is pursuing are aimed at overcoming the negative accumulations of the past and at building a bilateral and collective system of security (within the regional framework). In the current political and military situation in the Balkans and in the context of the development of the situation in the neighboring countries, it would be difficult to find motivations for any aggressive and expansionist aspirations against Bulgaria.

In the event of Greece resorting to military force to resolve its disputes with Macedonia and Albania, it is logical to expect possible actions on the part of Turkey in defense of the Muslims. In our view, however, it is extremely unrealistic to expect that it will act in accordance with the described scenario.

13 August 1993

Defense Ministry Press Center

### Ukrainian Ambassador to Bulgaria Views Relations

*AU2708130393 Sofia DUMA in Bulgarian 23 Aug 93 p 3*

[Interview with Oleksandr Vorobyov, Ukrainian ambassador to Bulgaria, by Mariyana Boyadzhieva; in Sofia; date not given: "Bulgaria Is Ukraine's Strategic Partner"]

[Text] [Boyadzhieva] Is it difficult to be the first Ukrainian ambassador in Sofia?

[Vorobyov] It is both easy and difficult. We practically started from scratch. We did not have a building for the embassy, and there were also other difficulties. The Bulgarian side did much to help us overcome those difficulties. We sense the Bulgarians' positive attitude toward the Ukrainians and their interest in establishing friendly and wide-ranging relations.

At all meetings with journalists and deputies we became convinced in the Bulgarians' good intentions and responsiveness. No political issues mar our relations.

[Boyadzhieva] How do you assess the development of Bulgarian-Ukrainian relations, which traditionally are good?

[Vorobyov] Great opportunities exist to expand and strengthen bilateral cooperation, above all in the economic sphere. The two countries have great transportation potential. Only about 60 percent of the Varna-Odessa ferry boat service capacity is being utilized. This line could be utilized more satisfactorily also in connecting Bulgaria to other CIS states.

After the two presidents signed the bilateral Treaty on Friendship and Cooperation in October 1992 in Sofia, Ukraine began to supply Bulgaria with coal, electric power, and machine-building equipment. We receive from Bulgaria products from light industry, the chemical industry, and various industrial goods. Dozens of joint enterprises have been established, and they show great initiative.

[Boyadzhieva] In what areas could the two countries cooperate?

[Vorobyov] Within the framework of the former USSR we have developed integration in the spheres of electrical engineering, precision and agricultural machine building, and the production of cars and tractors. When the USSR disintegrated, our economic relations were destroyed. Now we are reviving those relations on a new basis.

[Boyadzhieva] What do you expect from the visit of President Zhelev to Ukraine?

[Vorobyov] A package of agreements is being prepared. They include agreements in the spheres of mutual protection of investments, avoiding double taxation, and transportation. Specific agreements will be signed in the scientific, educational, military, and cultural spheres.

[Boyadzhieva] Are there any problems in mutual payments between the two countries?

[Vorobyov] In addition to all the other documents there will be an agreement between the Bulgarian National Bank and Ukrainian National Bank. It will incorporate the mechanism of mutual payments. According to economic and financial experts we could base our mutual payments in the next two-three years on barter.

[Boyadzhieva] What is Ukraine's balance after two years of independence?

[Vorobyov] On 24 August we mark the second anniversary of our independence. As any other young state Ukraine is experiencing difficulties and complications. We are trying to construct a democratic and humane state with a market economy. In its foreign policy Ukraine gives priority to relations with its neighbors, the countries of the CIS, Eastern Europe, and naturally, Bulgaria, as well as to integration with the countries in Europe and throughout the world.

### Yordanov Opposes Violating Embargo

*AU3108062593 Sofia TRUD in Bulgarian 23 Aug 93 pp 1, 4*

[First of two installments of interview with Aleksandur Yordanov, chairman of the National Assembly, by Valeriya Veleva; place and date not given: "It Is a Delusion That Bulgarians Are Divided, the New Political System Is Uniting Them"]

[Excerpts] [Veleva] Mr. Yordanov, do you think that our nation is currently divided by political struggles and unable to resist the strong, external, economic pressure?

[Yordanov] I am convinced that Bulgaria is now trying to find its way. I consider the allegation of our nation being divided to be a delusion. People have still not realized the assets that link them to each other. I am talking about the change of the political system, democratic values, and the new moral virtues. All these elements will inevitably create an even stronger link among our people. Naturally, different parties and political conflicts shall always exist. Bulgaria could not be divided throughout the centuries, although it was exposed to much harder internal and external pressures. Our country has endured far more dramatic internal political struggles and has resisted attacks from far more dangerous external enemies. Nevertheless, our country and our nation have always managed to preserve their unity and integrity, and this applies also to the present.

Our country is currently living through a difficult period that is further complicated by the persistent crisis and current war in the former Yugoslavia and by the embargo against Serbia and Montenegro. Only common sense and a strict observance of the embargo on our side, as well as respect for the democratic institutions in our country and throughout Europe are the correct methods of coping with the situation. Any attempt to take unfair advantage of the situation is likely to be sanctioned and the price that we would be obliged to pay for trying to be "too clever" will be much higher.

[Veleva] According to our sources of information, the parliamentary forces intend to sign a document requesting an amendment to UN Resolution 820 and are even advising Bulgaria to officially abstain from observing the embargo related to the Yugo-crisis.

[Yordanov] Such a document related to the embargo could not possibly exist. It is possible that the political forces may have discussed an alternative option, according to which our country could more urgently and more specifically insist on an effective formula for the solution of the Bulgarian economic problems stemming from UN Security Council Resolution 820. This may be a confirmation of the fact that our political forces are unanimous on an issue of such crucial importance for the nation. However, under no circumstances would I advise any of my colleagues from the political sphere to sign a document in support of violating the embargo.

[Veleva] Nevertheless, our cabinet's requests for the establishment of transportation corridor through Serbia have so far been unsuccessful.

[Yordanov] I do not know why the subject of the corridor is being so overrated. It is rather a visual concept implying that the existence of some kind of corridor would automatically solve the problem of Bulgaria's trade and exports. My opinion is quite different, as far as I am informed on the question. I think that the international community could find a new, extensive formula for solving the economic problems of the countries affected by the embargo, and of our country in particular. The so-called corridor is not the most important element of this formula, because the existence of such a corridor is likely to be abused for other purposes. [passage omitted]

[Veleva] President Zhelev's latest statements contained sharp accusations about the reintroduction of cooperative labor farms in our rural areas and about the strong pressure exerted by the Bulgarian Socialist Party [BSP] upon the cabinet, a pressure likely to make the president withdraw his own support for the government. Is the fall of the current cabinet likely to provoke a parliamentary crisis?

[Yordanov] Even before the summer recess, I forecast that last year's spectacular new conference, known as the "Boyana meadow" news conference may be repeated this summer, and that the president could not fail to see what is going on in our country, something which other political forces have already noticed and have urgently warned the Bulgarian public about. As chairman of the National Assembly, I would have repeatedly drawn attention to the fact that a process of stagnation in the reform is underway and that the BSP is pressuring the Lyuben Berov cabinet, thus depriving it of its independence. It is true that the government is relying on a parliamentary majority, but I am convinced that this majority cannot entirely influence the government's activities. This is, precisely, the danger that President Zhelev also noticed. [passage omitted]

## Dimitrov Reacts to Zhelev's SDS Criticism

*AU3008203493 Sofia BTA in English 1923 GMT 30 Aug 93*

[Excerpts] Sofia, August 30 (BTA)—A year after he first openly criticized the then cabinet of the Union of Democratic Forces (SDS), in a short televised interview President Zhelev again charged the SDS leaders with pursuing a policy of confrontation and turning the coalition into a secondary political force. SDS leader Filip Dimitrov said it was unthinkable for the SDS to once again nominate Dr. Zhelev, who was elected to the Presidency in January 1992 on the SDS ballot. Asked if he was preparing a new press conference, similar to last year's, the president said if such an event recurred, it usually turned into a farce. [passage omitted]

Asked by a television reporter about the president's press conference last year, SDS leader Filip Dimitrov, who led the SDS cabinet, said Dr. Zhelev then talked of nonexistent confrontation. The president signalled an attack by a government institution against the SDS government, he said. Asked if a renewal of close relations between the SDS and Dr. Zhelev was possible, Mr. Dimitrov said Dr. Zhelev was no longer the SDS candidate. "This came as a result of his actions, of the stands he took and is taking... It is unthinkable for him to make a comeback as the SDS candidate," Mr. Dimitrov said.

Commenting on press reports that he was preparing a new press conference to criticize the incumbent cabinet this time, President Zhelev said "an event, if it recurs, usually assumes farcical dimensions the second time, it turns into an end in itself and draws ridicule." Interviewed on National Radio, he said the Constitution and his own convictions obliged him to back any cabinet promoting democracy and the transition to a market economy.

## Tomov Lists Parliament's Tasks for Autumn

*AU3008141093 Sofia 24 CHASA in Bulgarian 25 Aug 93 p 10*

[Article by Aleksandur Tomov, "cochairman of Civil Alliance for the Republic": "Autumn After Cheap Hamburgers"]

[Excerpts] The political summer vacation is about to end. The cheap hamburgers have already been eaten. The whiskey they consumed refreshed the deputies and the esteemed ministers. Suntanned, and full of humanitarian thoughts, they are heading back to Sofia. [passage omitted]

Now in our country there is something closer to chaos than democracy. The crime rate is increasing, but there is no law on the police. Ostensibly, there is financial stabilization, but the bad debts the people accumulated in 1992 reached astronomic figures. Ostensibly, there is "care for the socially deprived," and a struggle for higher pensions, but there are not enough tax laws. Actually, if the deprivation continues this autumn, there will be no salvation.

—The lack of tax laws will foil the 1993 budget and turn the 1994 budget into a great deficit budget;

—Failure to resolve the bad credits issue will result in the bankruptcy of major banks by March 1994, with all the consequences that entails;

—Failure to adopt the law on bankruptcy will postpone at least by one year the beginning of the structural reform and we will continue to be the most humiliated country in the world, in which the guards will be the only people in the industrial plants, and where abandoned enterprises are plundered, but where no one goes bankrupt, thus no one is responsible for anything.

Indeed, some people would like to see everything fail in order to prove that it is impossible to act without them. However, they do not understand that avalanches bury everyone, including those who set them off, and that when a certain economic structure is destroyed we all we live in poverty, and this includes our children, mothers....

I always think that the coming autumn should be different. I do not mean the problem of the government or its composition. The problem is in reaching a political agreement on several fundamental issues:

a. Adopting the basic tax laws by September.

b. Adopting the Law on the Police not later than by the end of October.

c. Adopting the Law on Bankruptcies and Bad Credits by the end of September.

d. Reaching a general political agreement on accelerating the return of the land. No less than 60-70 percent of the land must be returned by the end of the year.

e. Reaching a general political agreement on accelerating privatization, which should include effecting the small privatization through converting shares issued in exchange for bad debts, and adopting a law on mass privatization. [passage omitted]

## Podkrepa Against Union Property Holding Company

*AU3008111693 Sofia KONTINENT in Bulgarian 25 Aug 93 p 1*

[Report by Valeriya Marinova from Sofia on 24 August]

[Text] Today the Podkrepa Labor Confederation demanded and obtained a promise from its social partners that the ministerial decision of 30 December 1992 creating the "Sofis" joint-stock company should be repealed and a liquidator appointed for the company.

The property confiscated from the former trade unions was not handed over to the trade unions free of charge, but instead "Sofis" was formed, without appointing a liquidator for the old trust organization. Thus, they are carrying out operations with this property and completing transfer deals while we stand by like actors in a farce, Podkrepa lawyer Mariana Ivanova declared. The KNSB [Confederation of Independent Trade Unions in Bulgaria] is leasing out properties, she added, but no one knows what happens to the rental money.

Podkrepa insists that the ministerial decision should be annulled and the nationalized property distributed between the trade unions and the state. According to the trade union, the decree legitimizes the properties plundered through "Sofis."

Direct accusations have been made in the press against [KNSB leader] Krustyu Petkov for taking shares in private companies formed with state property. Observers recall that [Podkrepa leader] Konstantin Trenchev recently remarked that the professor will gain millions from the revaluation of the property managed by "Sofis."

Construction Minister Khristo Totev explained that the property held by "Sofis" will be released for distribution, but asked the Podkrepa representative to specify which illegal deals she had in mind. Mariana Ivanova explained that such deals are even taking place at the moment, as the properties are still under the control of "Sofis." All this means that we cannot really participate in the division of the property, the lawyer said.

Ivanova said that Podkrepa is also worried about the procedure for reregistering the company at the Supreme Court, as there is a danger that "Sofis" may inherit the state property. KNSB representative Yuri Aroyo declared that the KNSB wants to put an end to the "Sofis" problem by liquidating the company. He announced that the KNSB has no interest in the company and has never had any.

## BZNS Leader Views Cooperation With SDS

*AU3008180593 Sofia ZEMEDELSKO ZNAME in Bulgarian 25 Aug 93 pp 1, 3*

[Interview with Anastasiya Mozer, "chief secretary of Bulgarian Agrarian National Union," by unidentified reporter; in Sofia in August, 1993: "Bulgarian Agrarian National Union Always Was and Will Be Supporter of Bulgarian Democracy"]

[Excerpts] [ZEMEDELSKO ZNAME] Could you please tell us about the political dialogue. The National Coordinating Council of the Union of Democratic Forces

[SDS] established a contact group for talks with the Permanent Board of the Bulgarian Agrarian National Union [BZNS], and through this group it was regularly informed about the progress of the preparations for the meeting-dialogue. At the last moment the SDS issued a statement saying that it was abandoning the idea of the meeting because certain phantom organizations had been invited, and the SDS would not like to legitimize those organizations by participating in a meeting with them.

[Mozer] Long before the meeting was due to take place the SDS group was acquainted with the organizations invited to the meeting. It is difficult to accept that they were not informed.

Things were coordinated and there was a mutual approval of the preparations. Therefore, let me repeat that there were consultations about everything. The SDS National Coordinating Council group was informed, and furthermore, I would say that everything was a joint initiative, because in such matters it is not important who takes the first step, and who joins afterward. The important thing is to do a good job. As far as the phantom parties are concerned, we also agree to a certain extend to the opinion of the SDS. [passage omitted]

[ZEMEDELSKO ZNAME] Abandoning the political dialogue could have serious, possibly fatal consequences for the transition toward democracy.

[Mozer] I hope that sufficient prudence and patience will be found and the position will change. Naturally, the Bulgarian Socialist Party [BSP] is largely to blame for this. It is this party that exacerbates things, and now with a majority in parliament they are trying to penetrate every sphere of life. Therefore, I have always stressed the fact that the BSP is responsible for the instability in Bulgaria. Their attitude to the economic reform is subversive—this precisely is their secret idea. This does not appear on the surface, because they are trying to dress it up in some legal form, but in practice this is precisely the case. Let us hope that the democratic forces will not make mistakes and that they will play a decisive role in the victory of democracy in Bulgaria. [passage omitted]

[ZEMEDELSKO ZNAME] The road to democracy passes through the coalition. How does the BZNS leadership view this issue?

[Mozer] At present we see possibilities of forming a parliamentary coalition after the elections. Thus a clear democratic majority will be formed in the next parliament, which will put the democratic spirit into effect. We should not waste any time. In the BZNS, however, the coalition issue will be decided by the Administrative Council. What will be decided and in what manner will depend on the Election Law. If the proportional system is adopted the BZNS will appear independently in the elections.

[ZEMEDELSKO ZNAME] There still is no final decision on this matter....

[Mozer] That is right, no such decision has been adopted. As far as the BZNS work in the parliament is concerned, let me say that it would be wonderful if a democratic majority is formed! The BZNS has always supported parliamentary democracy and generally, democracy, because it suffered most from totalitarian regimes. [passage omitted]

## Opposition VMRO Leaders Explain Objectives

*AU3008141193 Sofia DEMOKRATSIYA in Bulgarian 25 Aug 93 p 9*

[Interview with Riste Manev, Valentina Maneva, and Vladimir Paunkovski, "members of the Internal Macedonian Revolutionary Organization [VMRO] Central Committee," by Tanya Mangalakova and Dinko Draganov; place and date not given: "Bulgarians' Spiritual Unity Is More Important Than Political Unification"]

[Text] [DEMOKRATSIYA] Mr. Manev, are you not afraid of the name "Bugarasi," which NOVA MAKEDONIJA now uses to describe you?

[Manev] It is characteristic of that paper to interpret our words in a different manner. This name is being used to describe everyone whose orientation is not pro-Yugoslav or pro-Serbian. It was a matter of state policy to give the word Bulgarian a negative connotation. The objective was to breed hatred for Bulgaria and everything it has done.

[DEMOKRATSIYA] Skopje's official authorities do not want to admit there are Bulgarians in Macedonia. When will you confront this attitude?

[Manev] We are not very much interested in the government. We know who and what we are, and what those people have done throughout history, rather than in the last 45 years. The government denies this in order to stay in power. Now the people who also governed during the communist rule are in power. They fear for their precious posts. We are not struggling for power. We shall act through civilized and democratic means, with by the pen and by peaceful means. Those who accuse the Internal Macedonian Revolutionary Organization of being a terrorist organization simply have nothing else to say.

[DEMOKRATSIYA] What can you say about the demand to remove the Serbian letters from the Macedonian alphabet?

[Maneva] I came to Macedonia in 1979 and started to learn the modern Macedonian language. I discovered that we have sounds for which we have no letters. Some strange things have happened with this language, and I think that this is a result of the Serbian dominance.

[DEMOKRATSIYA] Mr. Paunkovski, has there been a change in the attitude of the Macedonian people toward Todor Aleksandrov and Ivan Mikhaylov [leaders of the VMRO Macedonian movement in the interwar period]?

[Paunkovski] Dimitur Galev, who is the chairman of the Agrarian Party and the Macedonian-Bulgarian Association for Cultural-Economic cooperation, tried to rehabilitate the name of Todor Aleksandrov. The name of Ivan Mikhaylov is still taboo in Macedonia. We tried to mention his name and books in our charter and the petitions we addressed to the Internal Affairs Administration and the Macedonian Government. This was our first attempt to rehabilitate Ivan Mikhaylov. I would say that the word rehabilitation is erroneous, because he should not be rehabilitated, but rather glorified. During the period after 1919 Todor Aleksandrov and Ivan Mikhaylov were the most important leaders of VMRO.

[DEMOKRATSIYA] Do you want to change the existing borders?

[Paunkovski] Article 7 of our charter points out that we want to create a "free, united, and independent Macedonia—a Switzerland in the Balkans—as the only just and comprehensive solution of the Macedonian issue." We do not have any claims. This is a concept that emerged already in 1919 at the Paris Peace Conference, when the Bulgarian delegation proposed that Vardar, Pirin, and Aegean Macedonia should establish the independent state of Macedonia. Thus, we are not saying anything new.

[DEMOKRATSIYA] Is this idea not utopian under the present conditions?

[Paunkovski] We do not speak about changing the borders, but about resolving the Macedonian issue, something that should facilitate the settlement of the Balkan conflicts. History teaches us that precisely Macedonia was the reason for the Balkan conflicts. We are working for peace among all Balkan states.

[DEMOKRATSIYA] Is not the idea of forming a cultural and economic integration between Bulgaria and the Republic of Macedonia a more realistic one?

[Paunkovski] In Article 15 of our charter we speak of creating spiritual unity with the Bulgarian nation. We are aware of the fact that the Bulgarian nation was not allowed to live in political unity. Therefore, Ivan Mikhaylov saw a solution of the Macedonian issue in effecting a political division, while preserving spiritual unity. We think that these criteria will be more important in a united Europe. Uniting the Bulgarians in Macedonia and Bulgaria is more important than political unification.

[DEMOKRATSIYA] Is pressure being applied to the initiators of the new organization?

[Paunkovski] Pressure is expressed by the refusal to register us. Nothing else has been done against us. They refuse to register us, and thus they do not allow us to express our opinions. Actually, in this way they prevent us from acting.

## Havel Threatens To Resign Over 'Racist' Law

*AU3008200693 Prague CTK in English 1107 GMT 26 Aug 93*

[Text] Paris, August 26 (CTK)—If the Czech Parliament passes a racist law, then I will offer my resignation, Czech President Vaclav Havel says in an interview published in the latest issue of the French weekly GLOBE HEBDO.

Havel says that expressions of populism, though more moderate in the Czech Republic than in Poland, Hungary or the former Soviet Union, are dangerous first of all because they reinforce xenophobic tendencies. Today, when a German minority does not actually exist in our country, all those who are nostalgic for communism are consistently exposing an alleged German danger.... A strong anti-German feeling is back, Havel says.

In my opinion, it is not accidentally that those who collaborated with the former regime are currently the most staunch accusers of communism, Havel says. He notes that there were many members of the resistance movement during World War Two, but there were thousands of times more collaborators. For an ordinary Czech, members of the resistance movement were individuals who were unpleasantly endangering his or her security, Havel says.

## Klaus Rejects Idea of Subsidized Agriculture

*AU3008094193 Prague TELEGRAF in Czech 25 Aug 93 pp 1, 3*

[Interview with Prime Minister Vaclav Klaus "prepared" by Viktor Krejci; place and date not given: "Let Us Not Introduce an Irrational Agriculture System Along the Lines of the EC's"]

[Text] Mr. Prime Minister, what do you think of the view expressed by Deputy Prime Minister Lux that our agriculture should be supported the way it is elsewhere in Europe? Mr. Lux—among other things—argues that, without such support, the Czech market would be flooded with cheaper foreign products.

[Klaus] The standard theory is that we should create a system for a sensible market economy where support or interference from the state are really marginal and uncustomary issues. Agriculture, however, is always different, and agriculture in the European Community is especially different. The EC itself knows that its CAP (Common Agricultural Policy) system is the greatest brake and burden on the EC, and all the politicians in the EC wish that it did not exist. However, they do not have enough domestic determination in their own countries to get rid of this system. We were recently visited by the prime minister of Portugal, which is one of the EC countries that does not have enough food and, therefore, imports it. This means that the agricultural subsidies are not to its advantage, but are to the advantage of, for example, Denmark, which exports its agricultural surplus to Portugal. The Portuguese prime minister told me that entry into the EC—which he otherwise praises very much, because it contributes a great deal to his country—has meant prohibiting the import of far cheaper foodstuffs from America and the forced consumption of more expensive foodstuffs from the EC countries' surpluses. This is, of course, an irrational system which—for God's sake—let us not introduce in our country, because the introduction of any system creates millions of Parkinson's law-like reasons for its continued existence.

All of this has yet another dimension, a financial one. The European Community, with all its doubts, major disputes, problems, and costs—caused especially by the unification of Germany—simply has, to a certain extent, the means for this irrational system. For example, if Switzerland—which, admittedly, is not an EC member, but has a very similar or even more advantageous system for agriculturists—decides for whatever reason, for example, for touristic reasons, to subsidize every cow in the Alps and pay for it to have a little bell that tinkles sweetly whenever tourists are wandering around, then let it do so, but the qualification is that it has the means for this. The Czech Republic simply does not have the means to pay subsidies like those of the EC, and it will not have them for a long time.

In response to the argument that we would be flooded with cheaper foreign goods I would say: If these foreign goods were really cheaper, then it would be better for every consumer and citizen in the Czech Republic. In the event that the cheapness of the imported goods were caused by major subsidies, we would have to take the appropriate steps in our customs and other policies to offset precisely the subsidy that a specific product from the EC or elsewhere receives. This is a matter over which no one ever argues; it merely—and practically—demonstrates that it is not so simple to unearth a subsidy and catch it in every individual product. However, in themselves, cheaper goods are better goods. We should not succumb to illusions: Cheaper goods are advantageous for every single Czech citizen. More imports of agricultural products is disadvantageous for the approximately 5 percent of Czech citizens working in agriculture. That is, the issue again involves the standard problem of all of the people versus some of the people; this means the majority should not suffer because of a minority.

## Ruml: Scandals May Help Left Wing in Elections

*AU3008093193 Prague MLADA FRONTA DNES in Czech 23 Aug 93 p 2*

[Interview with Interior Minister Jan Ruml by Petr Novacek; place and date not given: "Scandals May Help the Left in Elections, Minister Ruml Says"]

[Text] Prague—According to Interior Minister Ruml, state administration, ministry, and police employees are worried about their future, and therefore they do not feel that to be "loyal to the state" is their priority. Jan Ruml said this in an interview with MLADA FRONTA DNES. He also said, for instance, that there are nonsensical rumors circulating, rumors that all the former Communist Party of Czechoslovakia members will be fired.

The lack of "primary loyalty to the state," as Ruml said, can also be seen in careless handling of information on the Wallis case and the east Bohemia "rum scandal" [tax evasion affair in which state administration officials are involved]. "It is impossible to expect, from people who have no prospects, that they would enthusiastically build our better future. They leave their service in the police corps and use information they have available to express dissatisfaction over the current situation," the interior minister said.

[Novacek] Do they provide information they have to the opposition? Is that why you have described them as destructive recently?

[Ruml] This is my private political opinion that has nothing to do with the fact that I am interior minister. In my opinion, there are constructive opposition members who assume some responsibility for the current situation. Then there are the opposition members that are called unconstructive by some, but I call them destructive. They try to use errors made by the government coalition—including scandals that are somehow linked to those errors—for their own political goals. Of course, the opposition is entitled to that....

[Novacek] And this makes you uneasy. Since when?

[Ruml] Since the moment when Milos Zeman said that social democrats will be after the government's throat. Those who feel the need to manipulate information and provoke scandals have acquired a new consumer of this information.

[Novacek] Have you any proof to support your hypothesis?

[Ruml] I do not, but it is a logical political assumption. Whom should the people manipulating information address? Communists? They are completely untrustworthy and if they came up with some kind of scandal, only few people would believe them. However, if it is the Social Democratic Party—a party with an acceptable name, having high election preferences and duly elected leadership—then this could strongly impress the public.

[Novacek] Really, Milos Zeman revealed that the Czechoslovak Social Democratic Party intends to monitor, and especially uncover, privatization wrongdoings. Nevertheless, I would not dare to say that he intends to "fuel" a series of scandals, and—let us put it this way—to overthrow the government, for instance.

[Ruml] I am not saying anything like that! However, the communal elections are approaching, and the opposition will try to discredit the government coalition. To this purpose, they may "add fuel" to this or that scandal—who knows how many more scandals are still germinating. They are seldom completely explained, so as to completely remove the aftertaste they leave in the minds of the public. This aftertaste can assume such intensity that people will get annoyed and will not go to the polls.

[Novacek] We simply would have fewer people coming to the polls, which is normal in other countries....

[Ruml] However, those who are used to giving their votes to the left wing will go to the polls in a disciplined manner. This is a known fact! From this it ensues that whoever would succeed in annoying the people and hindering their participation in the elections, would lay foundations for the left wing's success.

## Coalition To Demand Chief Prosecutor's Resignation

*AU3008201193 Prague CTK in English 1200 GMT 26 Aug 93*

[Text] Prague, August (CTK)— The Communist Party of Bohemia and Moravia (KSCM)—as successor to the former Czechoslovak Communist Party—should be shut down by people not voting for its candidates in the next election, not by a law banning it, according to the government coalition Christian Democratic Union—Czechoslovak People's Party (KDU-CSL).

Tomas Rubacek, deputy chairman of the KDU-CSL, made this statement in reaction to a call August 21 by the Club of Committed Non-Party Members (KAN) for a law to abolish the Communist Party. Rubacek said that such a move would not be appropriate in our current stage of democracy.

The KDU-CSL also announced that its members would not support Prosecutor General Jiri Setina, accused in the press of unfairly obtaining a community apartment, at the next session of parliament.

Jan Kasal, parliament deputy chairman and also deputy chairman of the KDU-CSL, noted that Setina is in an awkward situation. Instead of prosecuting criminals, he must defend himself. This significantly interferes with the activities of the Prosecutor General's Office, explained Kasal, adding that the coalition would therefore be demanding Setina's resignation.

Kasal pointed out that Setina's visit of former federal intelligence agent Vaclav Wallis in prison awaiting trial on various charges is also inconsistent with the ethical conduct of a state body responsible for criminal prosecution. Though as a prosecutor he has the authority to consult the accused in prison, Setina's conduct was clearly unusual, according to Kasal.

## Meciar Comments on Talks in Moscow

*AU3008152493 Bratislava REPUBLIKA in Slovak 25 Aug 93 p 4*

[Interview with Prime Minister Vladimir Meciar by Jan Comaj on board the plane en route from Moscow to Bratislava on 23 August: "It Pays To Invest in Russia"]

[Text] We asked Slovak Prime Minister Vladimir Meciar for an interview on board the plane en route from Moscow to Bratislava following the Monday [23 August] talks.

[Comaj] Both you and Mr. Chernomyrdin were rather laconic at the brief lobby news conference in the Russian Federation Government Office building. The meeting took much longer than scheduled and you wanted to continue at the late working lunch, so you spared us just a few minutes. So I must trouble you here on the plane. You have both referred to grandiose plans. Are they not risky for our side? The Russians owe us, and Russia is unstable, what if they make even more debts?

[Meciar] The Russian side understands these risks and is willing, upon an agreement with us, to provide the necessary insurance. On this basis, we were able to agree in principle on the following tangible results:

A treaty on the prevention of double taxation will be signed shortly; a treaty on the protection of investments is to follow; banks will adopt an agreement on payments and banking contacts; preparatory work will begin on a treaty on 1994 shipments including some contracts from 1993. An agreement was already reached, which the agriculture ministers will meet and sign treaties concerning agricultural production. A treaty will be signed between the Interior Ministries on the joint fight against crime. An accord will also be reached between the Defense Ministries on cooperation in repairing military hardware. We are jointly seeking an assurance system for avoiding the aforementioned risk. One of the possibilities of assurance is a transfer to compensation arrangements for crude oil, gas, and nuclear fuel. In this manner, a huge sum is released from the payments, and although the calculation is made in dollars, we do not have to pay in dollars but rather in goods.

Shortly, we are expecting a list of the requirements of their industry and market. Thus, the Slovak enterprises shipping goods wanted in Russia would be paid by our gas works and petrochemical enterprises. Hence, there are no problems for the gas and oil area, and it will be piped here. We have also agreed on forming an account clearing center for other payments. Furthermore, an agreement should be reached between the banks that are to guarantee the two governments. The clearing center should be situated in Slovakia. The question of hedging against risks of the trade has to be considered next. This point has not has not yet been discussed. Finally, intergovernment commissions are formed on both sides, which will oversee and assess the implementation of the treaties and meet bimonthly.

We have obtained from the Russian side a list of names of the members of the commission headed by the Russian deputy prime minister. Thus we will base our relations on the market principle. We admit that neither they nor we have sufficient experience in market relations and this method of collaboration will be a test, in a certain way, and we will immediately correct eventual shortcomings. So that everything runs according to our ideas and the logic of the market relations, we will establish special centers, our's in Moscow and the Russians' in Bratislava. The centers will chart the trade relations and immediately report any shortcomings to the interstate commission.

[Comaj] It seems that gas and crude oil will be the decisive commodities at this stage of the trade contacts with Russia.

[Meciar] We have the status of an observer in the Surgud Agreement, and next year we are to become an ordinary member. As you have already informed your readers, it is a treaty among the former USSR states to jointly utilize the natural riches, raw materials and power, of Russia, and particularly Siberia. Our participation in the treaty will reduce the duties charged on our imports from Russia by 15 percent beginning in September 1993. We will thereby acquire a position on the Russian market that is literally beyond the reach of the competition. We proposed to the Russian side that after January 1994, when we become an ordinary member of the aforementioned treaty, we have direct access to the power-generating fuel deposits. That means, while others enter into the commercial relations in the purchase and transit of these raw materials, we will do it by means of capital. We will become a co-owner of these deposits. That will help us settle our claims, or more precisely, the Russian debt to us. Therefore, we did not want to talk about it with the Russian prime minister. They do not have the funds to pay now. Hence, they will pay with the deposits and that is a rather interesting investment.

We have also discussed the foundation of Slovgas, an international company based in Slovakia, in which all European gas works could participate. The company drills for, transports, and sells gas Europe-wide, from our own deposits in Siberia.

The matter of the construction of a new transit line for power-generating fuels has not yet been settled. The Russian side is contemplating a northern route, from Russia through Belarus and Poland to Germany, and the Czechs are trying to reroute it through Czech territory, while we are proposing a route through the Vah valley. Be that as it may, a great, and for us, advantageous project is the general reconstruction of the Bratstvo [Brotherhood] pipeline increasing its capacity by several billion cubic meters of gas, which annually pass through Slovak territory to Austria, Italy, and other European countries. The Russian side is very interested in connecting our systems with Schwechat near Vienna and the entry of the Austrian company OeMV [Austrian Oil Administration] into the gas sphere. They know that we have good connections with the OeMV. They also know that the shortest route to Austria, Switzerland, and Italy is through Slovakia. It is an opportunity and a fact at the same time. So, let the accomplished businessmen and bankers continue where we politicians have left off.

[Comaj] It sounds good—our capital participation—but where are we going to take it, as we do not have any capital?

[Meciar] Assuming that Slovakia obtains the aforementioned privileges in trade with Russia, particularly direct access to the deposits, many Western partners will be glad to finance the venture. We have plenty to offer, as even the transit through the Slovak territory is paid for. The money they invest with us can be deducted later from the fees.

[Comaj] There was mention of the Far East. How can Slovakia participate in the Russian plans for improvement of the Pacific region?

[Meciar] When we talk about this region, we talk mainly about refurbishing the neglected or even inoperable engineering industry. Our participation might bring about a recovery in the engineering plants in Slovakia by means of shipments of complex equipment and reconstruction of existing capacities.

[Comaj] Was there also some talk about the storage of nuclear waste on Russian territory?

[Meciar] Yes. This is what they are offering: They demand $50 million annually for this in shipments of our goods. A treaty on this will be signed by Russia, Ukraine, and Slovakia in the near future.

[Bratislava SMENA in Slovak on 25 August on pages 1 and 3, under the headline "Gas Almost Free," carries a similar interview with Prime Minister Vladimir Meciar by Alena Melicharkova who adds the following question:

"(Melicharkova) Recently, in connection with the purchase by Hungary of arms from Russia, you pointed out the possibility of Russia paying its debts with arms. Have you discussed this?

"(Meciar) Hungary agreed to purchase $800 million worth of arms from Russia. Based on this, we have also discussed the possibility of the purchase of arms, an acquisition worth $176 million. The arms in question are of such hardware types that would balance Hungary's advantage. If Hungary does not buy these weapons, we will not buy a single 'shell.' For the treaty to go into effect, an agreement must be reached regarding the release of rubles for covering these claims. We have not attempted to sign this agreement today. There is time until the Hungarian side begins to close its deal. We are waiting."]

## Meciar Interviewed on Government Stability

*LD2708190593 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 27 Aug 93*

[Regular interview with Prime Minister Vladimir Meciar by correspondent Michal Berko on 27 August—recorded]

[Excerpts] [Berko] The Movement for a Democratic Slovakia [HZDS] does not have, now at the end of the parliament's recess, a majority in the parliament. Your deputy chairman, Mr. Roman Zelenay, expressed the conviction at a news conference two days ago that the HZDS would always acquire the necessary majority in parliament. This is not enough, neither at home nor especially abroad, to achieve the mark of political stability in Slovakia, Mr. Prime Minister.

[Meciar] [passage omitted] There are two phases which will have to be resolved with the first being social legislation and the second, the 1994 budget. That is where it will be crucial whether the government will or will not get adequate support from the parliament. This, of course, requires us to also take into account the reservations of the opposition. I can see a certain tension building, mainly in the context of the laws with social impact, the laws which would allow us to maintain support for the weakest by taking money from those who are more wealthy. Or we would have to accept the necessary rule of negative impact on all, i.e. the state bears the brunt in the form of a 16 billion deficit, that is what we would give the public in addition, what the state would take upon itself, what we, as the government, would pledge to settle in the future so as not to burden the citizens of today.

If the corporate sphere has a deficit of 87 billion crowns in insolvency, how much of this should be transferred to the shoulders of the citizens? That is what we are weighing on laboratory scales.

Unless the build up of revenue in the budget intensifies it will not be possible to count on the increase of expenditure from the budget. If that happens—and that is what the opposition, i.e. those parties that may at first glance seem to be socially aware, is trying to force us to do—the people will be cheated. The strain on the budget would be such that the expenditure of the state would be even greater. That would lead to greater indebtedness of the state. [passage omitted]

As far as the fear that the government may fall is concerned, well, I read that I should fall as well, in that case, and lists of candidates are being drawn, etc., that is a gambling attitude, but I do not intend to go anywhere. The parliament would first have to take a majority vote of no-confidence in my person and such a situation will not arise by the end of this year no matter what they do. Next year I will tell them what it is going to be like after 1 January.

[Berko] Mr. Prime Minister, on Sunday [29 August], Slovakia will commemorate the 49th anniversary of the Slovak National Uprising. What kind of feelings will you have on that day?

[Meciar] I took an unequivocal approach by sponsoring the celebrations at a time when many people are asking whether there should be any. In this way I have personally acknowledged the Slovak National Uprising as the legacy of the antifascist coalition for the present times. If we are upholding that tradition, if the whole European set-up was based on the outcome of that struggle, we have no right to cast it into doubt. We have the right to speak about the behavior of certain individuals, we have the right to speak about group interests, but we never had nor have the right to cast doubt on the uprising and its principles. It is one of the bright pages of our history. No matter what anybody says, for me it will remain so.

I look upon the uprising as a truly national event. I do not agree with the Communist Party claiming merit for the uprising. I do not identify with the view that the uprising was of a Czechoslovakist nature. On the contrary, what came after the uprising suppressed all the good that emerged in it and I am glad that, through this uprising, the Slovaks found the courage to address the other nations of Europe and to stage one of the largest demonstrations, albeit badly armed, but supported in heart and backed by the courage of the people with all their might. [passage omitted]

## Forty Percent Do Not Support Any Party

*AU3008094993 Bratislava NARODNA OBRODA in Slovak 25 Aug 93 p 9*

["ja"-signed report: "The Party of the Democratic Left Is on the Rise"]

[Text] The latest poll examining citizens' sympathies for political parties was conducted by the Slovak Statistical Office the end of July, when the unsuccessful coalition talks between the Movement for a Democratic Slovakia [HZDS] and the Slovak National Party [SNS] were culminating. This hot topic of those days was reflected in the answers, not in the attitude toward the HZDS, for which support remained at the June level, but in losses for the SNS, which has been overtaken in popularity by the Party of the Democratic Left [SDL]. To be able to compare the trend, we provide the results of this year's January, June (conducted prior to the coalition talks), and end-of-July polls. All data is expressed as a percentage.

| | January | June | July |
|---|---|---|---|
| HZDS | 24 | 18 | 18 |
| SDL | 14 | 11 | 14 |
| SNS | 9 | 11 | 8 |
| Christian Democratic Movement [KDH] | 8 | 8 | 7 |
| Coexistence—Hungarian Christian Democratic Movement [MKDH] | 3 | 5 | 4 |
| Green Party in Slovakia [SZS] | 1 | 4 | 4 |

Other parties were supported by fewer than 3 percent [of respondents]. The number of those who do not support any party has increased again: from 31 percent in January and 37 percent in June to an alarming 40 percent in July! This is the highest figure since the November revolution.

Citizens of Hungarian nationality expressed the following preferences:

| | |
|---|---|
| Coexistence | 19 |
| MKDH | 13 |
| SDL | 7 |
| HZDS | 6 |
| KDH | 3 |
| No party | 44 |

Both tables should serve to stimulate the further strategy of parties and movements.

## Slovak-Russian Treaty Called 'Catastrophic'

*LD3008105593 Prague CTK in English 1024 GMT 30 Aug 93*

[Text] Kosice, East Slovakia, August 30 (CTK)—With the agreement on military cooperation between Slovakia and Russia signed Thursday, Slovakia has led itself away from NATO and back toward putting its security in the hands of Russia, the daily "SLOVENSKY VYCHOD" writes today.

(The treaty was signed in Bratislava by Russian President Boris Yeltsin and Slovak Premier Vladimir Meciar. - ed.)

Meciar succeeded in concealing the fact that the treaty was ready for signature, the daily writes: The treaty on military cooperation was a surprise not only for journalists, but for the Foreign Ministry and the [Prague] castle, who, by the way, at least during the closing phases of the treaty's preparation remained outside of events.

The daily writes that the new treaty is more catastrophic for Slovakia than the treaty of friendly relations signed by the two presidents because it emphasises the incompatibility of Slovak and NATO military hardware and the compatibility of Slovak and Russian. The daily also distances itself from additional agreements mentioned in the new treaty, such as reciprocal use of airports, student exchanges in military schools, and the contractual arrival of Russian specialists for the maintenance of military technology. We have had enough of such unhappy experiences, the daily concludes.

## SDL, SDSS Leaders Sign Cooperation Protocol

*AU2708154593 Prague CTK in English 1420 GMT 25 Aug 93*

[Text] Bratislava, August 25 (CTK)—The first anniversary of the agreement on cooperation between the Democratic Left Party (SDL) and the Social Democratic Party in Slovakia (SDSS) was marked today by the signing of a protocol by SDL Chairman Peter Weiss and SDSS First Deputy Chairman Jaroslav Volf.

An updated agreement should only be signed after it has been reviewed by the higher bodies of both parties when they meet on 25th September.

Weiss stated today that the SDL-SDSS cooperation should contribute to the completeness of the Slovak political scene and create the political conditions necessary to overcome the country's onerous economic problems. Their joint aim was to create a broad social democratic platform and also, more specifically, to collaborate in the communal elections this December, Weiss announced.

## Consumer Prices Rose 15 Percent Since Dec

*LD3008182493 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 30 Aug 93*

[Text] Consumer prices of goods and services increased 1.1 percent overall in the course of July in comparison with June. In the course of this year's first seven months, prices went up 15.5 percent in comparison with December 1992. These figures were given in a document on fundamental development trends in the selected national economic spheres in July, which was made public by the Statistics Office today.

## Agreement on Refugees Signed With Poland

*LD3008184493 Prague CTK in English 1745 GMT 30 Aug 93*

[Text] Bratislava, August 30 (CTK)—Today's official visit by Polish Minister of Interior Andrzej Milczanowski in Bratislava ended with the signature of a protocol to the Readmission Agreement between Slovakia and Poland. The Readmission Agreement allows illegal immigrants from a third country to be deported from Slovakia to Poland and vice versa.

Slovak Minister of Interior Jozef Tuchyna said that Slovakia had the same problems with refugees as Poland, but it had not tended to return the persons. He also pointed out that Hungary had made the signing of a Readmission Agreement with Slovakia conditional on the signing of a similar Slovak-Romanian agreement. The agreement could be signed during the visit of Romanian interior minister on September 19 to 20. Afterwards, the Readmission Agreement with Hungary will be signed, said Tuchyna.

### Visiting French Minister on Bosnian Air Strikes

*AU3008123293 Budapest MTI in English 1649 GMT 27 Aug 93*

[Text] Budapest, 27 Aug (MTI)—Membership for East European countries in NATO is untimely at present, goes the current French position, French Minister of Defence Francois Leotard told Budapest reporters on Friday [27 August] after his one-day visit to Hungary.

The French minister had talks with his host, Minister of Defence Lajos Fur, and met President Arpad Goncz, Prime Minister Jozsef Antall, and minister without portfolio Tibor Fuzessy, who supervises the secret services.

Leotard added Paris does not oppose Hungary's membership of NATO, but a decision on the future of the organization will be discussed in January, at NATO's expanded session.

Answering questions, the minister said he does not believe NATO could solve the Bosnian crisis with air strikes, the problem should be resolved at the Geneva peace talks.

He briefly outlined a plan by French Prime Minister Edouard Balladur for a comprehensive European security system. Leotard said this discusses in detail problems of minorities in the region, and the inviolability of borders as well.

Leotard said his Hungarian counterpart had also appreciated the plan, stressing that no such comprehensive European programme that also settles the situation of the minorities has been compiled since the second world war.

The French minister said his country wants to create close and friendly relations with Hungary, and Hungary could become one of the major basic pillars of the future European security system.

In an answer, Leotard said the international community would not tolerate external aggression against Hungary.

Hungarian Minister of Defence Lajos Fur also spoke at the press conference. He said delivery of various stocks of the former East German People's army, given to Hungary by Germany, will begin this weekend.

Fur said the items, valued at about DM150 million, will not increase the Hungarian Army's military capabilities, but will contribute to maintaining its battle preparedness level.

The delivery of 400 railway carriages will include, among other things, telecommunications and radio-locating equipment, training aircraft, and various measuring devices.

Hungary is the only country of the now defunct Warsaw Pact to get parts from the former GDR Army.

### German Relations

*LD2908123293 Budapest Kossuth Radio Network in Hungarian 0705 GMT 29 Aug 93*

[From the "World Clock" program]

[Excerpts] We now continue with the topic of NATO. [passage omitted] The French standpoint is very important for us, although it is just one of many, or at least various, NATO opinions. Miklos Lengyel reports.

[Lengyel] [passage omitted] [French Defense Minister] Francois Leotard recently spent one day in Hungary. What role does France ascribe to Hungary in the region, I asked him at a news conference. [passage omitted] Some people believe there is some difference between France and Germany on this issue, as in the judgement of the South Slav crisis. Germany seems to be more enthusiastic, whereas France is applying the brakes.

[Begin Leotard recording, in French with superimposed translation] No. We regularly coordinate our concepts with Germany. The relationship between the two countries is very close, so there can be no question of what you said, Germany judging this issue in a different way and being more supportive than France of Hungary's admission. This is not true by any means. The two countries are jointly examining NATO's development in this new situation. Do not forget that NATO has 16 members. So, everyone has an opinion about Hungary's joining; the same applies to the South Slav issue.

It is important that the Hungarians should not worry about the future. Hungary has a 1,000 years' past and this ancient people is now developing with impetus. That is also why I have come here, to tell all this to my Hungarian friends. [passage omitted] [end recording]

### Antall Sees EC Membership by End of Decade

*LD2908201393 Budapest MTI in English 2001 GMT 29 Aug 93*

[Text] Budapest, August 29 (MTI)—Hungary was the first ex-socialist country to include the full membership requirement in its association agreement with the European Community. I think its wish will be fulfilled still in this decade, Prime Minister Jozsef Antall, president of the Hungarian Democratic Forum, told the U.S. CNN before the forthcoming party chairmen's conference of the European Democratic Union (EDU). Excerpts from the interview were broadcast by Hungarian Television in the Sunday evening news magazine The Week.

Antall briefly reviewed the European Christian democratic, national democratic and people's parties that are EDU members. He said all these parties stood opposed to totalitarian systems and were committed to single Europe. Their conservatism means the preservation of historic continuity and European and Christian values, alongside European national liberal values. The third is the social element, since Christian democratic and conservative parties built it in their political philosophy earlier than the world's liberal parties, Antall said.

Speaking on the relationship between conservatism and modernization, he said, "to justify their previous political position, former Marxists often say today that the 20th century had two major modernization models: the socialist, which collapsed, and the liberal, which is represented by them. At the same time, there is a conservative way of modernization. The socialist way obviously failed, and the liberal way has become a mere slogan, because the great historic role of liberalism was to create democracy and, when it is born, to take care not to divert from it in the interest of social or other ideas."

Regarding Hungary's admission to the EC, Antall thought it could take place before the end of the decade, but by that time Europe will be far more united than today if countries proceed on the Maastricht road. For this reason, Hungary has to prepare its institutional and legal system for joining the organization, he added.

## Jeszensky Views European Integration

*AU2708130593 Prague MLADA FRONTA DNES in Czech 23 Aug 93 p 9*

[Interview with Foreign Minister Geza Jeszensky by Josef Vesely in Budapest; date not given: "Confirming the Borders in Exchange for Minority Rights"]

[Text] Hungarian Foreign Minister Geza Jeszensky granted MLADA FRONTA DNES an interview on the fate of Pan-European and regional cooperation, and on certain sensitive aspects of bilateral relations between the Central European countries.

[Vesely] Sir, can we say—after the EC summit in Copenhagen in June and after the meeting of the Central European Initiative (CEI) in Budapest—that the Visegrad Group [Czech Republic, Slovakia, Hungary, Poland] is still alive?

[Jeszensky] The "Visegrad Three"—the CSFR, Hungary, and Poland—defined, at their 15 February 1991 summit, the goals of its cooperation, so that the experience of the participating countries, in their transition to a market economy, could be better exploited. This also was supposed to help reach the European level.

Neither the Copenhagen summit, nor the CEI meeting in Budapest have cast doubts on these goals. However, the division of Czechoslovakia, a phenomena rendering Hungarian-Slovak relations more difficult, and some statements by Czech Repblic politicians have somewhat inhibited the Visegrad cooperation. Since the fall of 1992, former political cooperation, based on trust, declined somewhat and stress has been laid on the common political dialogue between Visegrad countries and the EC instead. However, consultative meetings between ministries of defense have continued, and there also were tripartite meetings—or even meetings in which four parties participated—between representatives of certain special sectors and institutions. What is more important, the agreement on the free trade zone is functioning quite well.

It is still a prerequisite that the Visegrad Group overcome difficulties and insecurities ensuing from the division of Czechoslovakia. As early as in January 1993, the Hungarian Government issued a statement that, within the framework of this group, the government was prepared to continue pragmatic, noninstitutionalized cooperation. The Hungarian Government still considers the group to be a free framework to coordinate and help prepare for membership of the EC, NATO, and the Western European Union [WEU]. That is, the group is not to become an alternative to these organizations.

[Vesely] In your opinion, can the rapprochement of the said countries with the European structures continue under the new situation?

[Jeszensky] The EC Copenhagen summit offered the six associated countries a "structured system of relations," in which the dialogue on cooperation is integrated within a multilateral framework. This is extremely important for all the six associated countries. The Visegrad Four can still be useful here, to formulate the common policy of the participating countries toward the EC.

For the EC, the further existence of the Visegrad Group is not only a positive security factor in the given space; for the "Twelve" it is certainly easier to communicate with a group of countries that have adopted a coordinated standpoint.

That the Copenhagen communique speaks of evaluating the preparedness of individual candidates for admission can change nothing.

[Vesely] Does the existence of the CEI, whose prime ministers met in Budapest, still have some raison d'etre?

[Jeszensky] Hungarian foreign policy has three priorities:

—the preservation of peace and security in Europe;

—relations with the EC;

—securing and preserving duly relations with neighboring countries.

A united, economically and politically stable Europe cannot be established without a stable Central Europe, and that is why it is in our common interests to remove, as soon as possible, the existing abyss between our region and Western Europe. Even here, the CEI can play an important role. On the one hand, the CEI plays its security role and, on the other, it can become a forum for the discussion of political issues related to the region as a whole, while dealing with the implementation of economic projects applicable to several countries. This organization can continue to be a bridge on the road leading to the EC membership of former communist countries, and, at the same time, make it possible to better utilize the political and economic experience of

Italy, an EC member for many years, and that of Austria, which is likely to become an EC member in the near future.

[Vesely] Do your believe that Hungary could be integrated in the NATO structures in the near future?

[Jeszensky] Political and economic stability in Central and Eastern Europe is NATO's main interest. The admission of Central European countries, not only Hungary, would serve those interests. Certain transitional forms are justifiable, and many more arguments against delaying can be raised than against possibly protracting this process. [sentence as published]

[Vesely] In what way would it be possible to reach a reduction in tension between the neighboring countries in Central Europe, a tension that appeared during the Council of Europe meeting on Slovakia's admission?

[Jeszensky] In the Central European region, tension has mainly historical roots. As a consequence of peace treaties concluded after wars, there are important ethnic minorities in many of these countries. However, the conflict stems mainly from the unclear status of the ethnic minorities, which, to a large extent, stimulated the breakup of the World War II. Over the 40 years of communism, this issue was a taboo and the problem was swept under the carpet. Apart from the oppression of all citizens, there were powerless ethnic minorities who did not have free institutions or representation, and whose oppression was therefore even more tangible. After the fall of dictatorial regimes, national feelings surfaced along with the suppressed desire for freedom.

Intolerance toward minorities is growing in many places. However, Hungary was hit the most by this phenomenon. That is to say, there are 3.5 million Hungarians living in neighboring countries. One way to alleviate the tension would be to conclude bilateral treaties. In my opinion, only complex treaties that encompass all spheres of relations make sense.

[Vesely] Does this include the immutability of the borders?

[Jeszensky] Some of our neighbors say that Hungary is making efforts to revise the state borders, and this is why they require—before any dialogue on any significant issue is held—that Hungary should confirm the inviolability of the borders that were fixed by the peace treaties of 1920 and 1947. We consider it unnecessary to reconfirm this fact, which, for us, is so trivial. However, if our neighbors guarantee the rights and equality of the Hungarians living beyond our borders, that is, their state-forming ability, then we, too, are prepared—in our endeavor to strengthen our mutual trust—to search for a formulation that would confirm the territorial formula fixed in the peace treaties, and the validity of articles of the Helsinki Final Act.

Our attitude toward Slovakia's membership was in harmony with those goals. The existence of a democratic Slovakia and a democratic Romania, integrated within Europe, is also in our interests. When we discovered that the guarantees promised by Slovakia and required by Europe—guarantees to protect minorities—are not respected, and that there are even new restrictions being prepared in the school system and public administration, we were forced to draw the attention of our European partners to this fact.

Finally, Hungary accepted assurances that the Council of Europe would become involved in assuring the rights of the Hungarian minority in Slovakia. Prime Minister Antall explained this to Prime Minister Klaus.

[Vesely] Is it possible, after the end of the cold war, to believe that a common language could be found between the former "West" and "East"? How long can it take?

[Jeszensky] The cold war was won jointly by the Western democracies, and Eastern democrats. We, too, shared the euphoria that prevailed after the Berlin Wall was demolished. Some even spoke of the end of history.

However, the developments since have indicated that there might be problems whether today's European political generation will follow up on the idea of their great historical predecessors, who, after World War II, dreamed of a unified Europe and put their ideas into practice on the half of our continent that Stalin had left them. However, the original ideas of Adenauer, Schumann, and De Gasperi applied to all of Europe, that is, to our space, too.

After the "evil empire" fell apart, this vision was reborn and a chance to draft a joint program has reappeared. The impatience in this region is quite understandable, and the victors of the cold war, in particular, have to deal with the task.

Most of the former opposition democrats—who now represent government or opposition forces—are satisfactorily assuming responsibility for development, peace, and prosperity in their own countries, now liberated from dictatorship. In some countries, however, they are slowly being deprived of the responsibility linked to power. Old faces reappear there as newly born democrats.

The situation in Russia and, particularly, the Yugoslav crisis, clearly show that the powers of the past—who, after the collapse of their ideology, took over extreme forms of national feeling—have not withdrawn from the struggle and are not willing to compromise, even today. For them, a compromise, this basic word in democracy, means a loss and is proof of weakness.

That is why they interpret any efforts exerted by democrats to reach appeasement or any lack of tough attitudes as an encouraging sign. They believe that their chances have not disappeared and, after renewing their forces, they might get rid of those who stand in their way.

There is one possible defense against it: to accept the idea of a united Europe, draft a joint program, and gradually implement it in every sphere. This program should provide evidence to every citizen of Europe that leading representatives are concerned with our future, that they want security, order, and welfare for everyone, and that they are working its implementation.

However, this cannot be done overnight. By joining our efforts, we must search for ways to put this positive program into practice. I firmly believe that not even short-term and egoist interests would succeed in preventing it.

## Boross on Domestic Situation, Party Politics

*AU3008134093 Budapest TALLOZO in Hungarian 26 Aug 93 p 1601*

[Interview with Peter Boross, interior minister and deputy chairman of the Hungarian Democratic Forum, by correspondent identified as "H"; on Hungarian Radio program "Kinn, Padon" on 17 August: "The Right-Center Formation Is Capable of Governing"]

[Excerpts] [Boross] Istvan Csurka deals with the state of Jozsef Antall health for the second time, and I think that, once Csurka regretted his article of 20 August 1992 in which he mentioned this fact, he should stick to his word now, also. The issue is simply not on the agenda. Jozsef Antall fulfills the prime ministerial functions and did not hide his illness. However, this illness does not hinder him in fulfillment of his tasks as prime minister and party chairman, and I know for a fact that he is not hindered by his illness. These are crude associations and I think that Istvan Csurka has lost his sense of proportion.

[H] There are people who say that it is in bad taste to deal with Jozsef Antall's state of health. Others say that, if there is a public issue, this is a public issue. These issues are on the agenda because of the Hungarian prime minister's state of health: Medical tests carried out in the course of his latest visit to Germany and the possible bone marrow transplant; issues that should be dealt with. It seems that you are a little too sensitive about these associations, even if they do originate from Istvan Csurka, your political opponent.

[Boross] I do not think so; this is not a matter of being hurt, but a matter of taste and maintaining proportion. Upon his return from Germany, Jozsef Antall gave a new conference and described the situation. A problem can only emerge should Jozsef Antall be unable to fulfill his prime ministerial functions, and the people around him realize this, or he has come to this conclusion himself. I am one of the people in his entourage and I know that he is fulfilling this very difficult task perfectly and with the great dedication that has been characteristic of him for years. If this is so, why should one play with words the way Istvan Csurka is doing? [passage omitted]

[H] Let us talk about the election prospects. According to opinion polls, your party is in fourth place, and you repeatedly said that you saw only one solution, namely that the Antall government continue its activity. Your desires slightly contradict reality.

[Boross] I believe that only a center-right formation can form a lasting government in Hungary. History supports this and the proper government team is here.

[H] What does "center-right" mean? Viktor Orban characterized the Federation of Young Democrats [FIDESZ] in almost those terms.

[Boross] The quality based on national commitment also belongs to the image of the Hungarian Democratic Forum [MDF], and I think that this means something for someone aware of Hungarian history and internal affairs. I am convinced that only a political trend with a historical perspective and a wide range of emotions can create relative calm and stability in this country. I believe, therefore, that there can be no other lasting solution, even if an election is full of uncertain elements.

[H] The liberals claim that they want to govern precisely because of their national commitment, and they keep mentioning the Czech Republic as an example. It seems that a classic liberal government is closer to the heart of Europe and to the heart of a Western Europe—it is becoming better integrated than a slightly conservative Hungarian government, and please forgive me for saying this, but this is how your government is described.

[Boross] If this were the case, there would be such governments all over Europe. However, there are not such governments. In many countries, the liberals are playing some sort of a balancing act, and the socialist and socialistic parties lost their government power one after the other. I think I do not have to list the example of British, French, or even German situation. Europe, and every European country, need governments that realize the laws of the current age, adjust their governing actions to these laws, and are not prisoners of certain ideals or events. [passage omitted]

[H] Did you think it was right to participate in the reburial of former Hungarian governor Miklos Horthy, when warnings are also coming from neighboring countries saying that they do not regard this as a goodwill maneuver?

[Boross] Neighboring countries worship WWII statesmen who might be compared primarily with our Ferenc Szalasi. Consequently, these voices and manifestations should not influence our decisions.

[H] The Slovak press says that Horthy rode into Kassa, and they are apprehensive.

[Boross] Of course, because there was a Munich decision and there was a Vienna decision, which also originated from a Munich decision. These decision affected territories inhabited by Hungarians, and these territories were reannexed to Hungary under the well-known conditions of World War II. This has nothing to do with the fact that I will participate in Miklos Horthy's reburial. In fact, I am terribly annoyed to see how some people are trying to make a public issue out of my appearance as a private person at the aforementioned funeral.

## Csurka Suggests Right, Left Cooperate

*AU3008200993 Budapest PESTI HIRLAP in Hungarian 26 Aug 93 p 5*

[Interview with Istvan Csurka, chairman of the Hungarian Way Movement, by unidentified PESTI HIRLAP correspondent: "Istvan Csurka: The Right Wing Should Shake Hands With the Honest Left"]

[Text] [PESTI HIRLAP] You are demanding a strong nation state. Do you have any concrete ideas on its implementation?

[Csurka] As a result of the pact policy, most of the parliament is under government control and, as in a dictatorial state, parliamentary accountability to the government has been achieved in various ways. This means that we do not have a responsible government and means a weakening of the state. In addition to this, the structure of the power institutions definitely has to be corrected. The role of the Constitutional Court and of justice has to be clarified immediately. The shortcomings of laws that have been enacted also have to be corrected. In my view, the state's controlling influence in all areas of public life is the most important factor. Now, as a result of the last months of the previous regime, there is no control whatsoever. I must state that anarchy and those who wreak anarchy are here, within our walls. People whose strong interest alliances facilitate this do not adhere to the law except when it is to their advantage. Various actions are organized instead of sacrifices or restrictions. The parliament has no authority. In other words, our state cannot be called normal. If we also add the question of who benefits from the state's weakness, then it becomes obvious that it is those who were also the bloodsuckers of the old regime. This is intolerable.

[PESTI HIRLAP] Do you think it possible for your political views and those of Pozsgay [chairman of the National Democratic Alliance] to join forces?

[Csurka] I think it is possible since, without previous consultation, we profess many similar ideas regarding the objective problems in our economy and society. What could stand in the way of our cooperation? Just because some people state that Pozsgay has somewhat of a murky past? In the interest of the nation, we should now put this behind us. This does not mean that I would give up any of my views. However, it might be permitted for me to say, as a kind of representative of the Hungarian people, that the (not extreme) right-wing Hungarians should shake hands with the honest left. I held out this possibility as early as at the first national meeting of the Hungarian Way.

[PESTI HIRLAP] Do you share Pozsgay's opinion that Antall's government disregards the democratic principles?

[Csurka] Yes. I say that the anti-democratism of the government coalition hides behind the constitutional statehood. If the provision of justice does not exist, then justice does not exist, either, and the constitutional state is but a fiction.

## Participants of Szarszo Meeting Issue Statement

*AU3108091893 Budapest MAGYAR HIRLAP in Hungarian 30 Aug 93 p 4*

["Text" of statement issued by the participants of the Szarszo meeting on 29 August 1993: "Szarszo Statement"]

[Text] The participants of the Szarszo conference called "For the Hungarian Survival" approved the following statement.

On the anniversary of the 1943 Szarszo meeting, between 23 and 29 August more than 1,500 representatives of Hungarian intellectual and political life again held a meeting organized by the Puski Foundation and the Szarszo Friendship Society. The goals of the meeting were to commemorate the Szarszo meeting 50 years ago, to overview the vital issues of Hungarians and the national policy, economic, and cultural tasks that determine the future of Hungarians and, while respecting the principle of freedom of speech, to provide a forum for various views and ideas. Similarly to the 1943 minutes, the speeches and contributions made at the intellectual and political forum will be available to the public in a book.

The participants of the conference, despite the variety of their views, strived to establish national cooperation. We agreed in that we have to take historical, moral, and political responsibility for the survival of Hungarians, to increase their vitality and ensure their future, the material and intellectual values of the national culture have to be preserved, cherished, and increased, the nation's and the country's sovereignty has to be ensured and its interests must prevail, the framework of the constitutional state has to be maintained, and the institutional systems of democracy and the constitutional state have to be developed continuously and definitely. The nation's and the country's overall modernization program has to be drawn up and implemented, and peace for the country's people has to be ensured; the conditions for social peace, secure living conditions, and work and subsistence possibilities have to be established for all citizens.

We consider it necessary to unconditionally respect life, to stop the numerical decrease of the Hungarian nation, to protect the family, provide conditions for raising more children, to take joint responsibility for the Hungarians who are living in the Carpathian basin, to protect domestic production and the market, to support Hungarian products, secure property, divide the assets justly and proportionately, and to establish a broad domestic ownership. The country's land should remain in national ownership, in the property of the Hungarian state, the local governments, and the Hungarian citizens. The participants deem it necessary to democratize the power, to call to account—according to the Hungarian laws in force at the time—those people who committed autocratic crimes, regardless of the passage of time, and to regulate, limit, and supervise immigration into the country in accordance with the newly formed legal practices in the developed European states. The participants firmly state that party interests and the power interests of political groups must not be raised above the national interests.

It was a common wish of the participants that all members of the nation be able to take part in directing the country's and the nation's fate, therefore, we suggest that a national roundtable be convened, a national program of reconstruction be drawn up, and a national catechism be formulated.

The country can be lost in peace as well as in war. Although we understand this danger, we nevertheless think that a new era can begin in our country's history and in public affairs if those who agree on the service of the nation's vital issues discuss their common problems and various views with mutual trust, just as in a family. It would be of historical importance if the newly elected Parliament were characterized by this spirit.

## Editorial Views Meeting

*AU3008201093 Budapest NEPSZABADSAG in Hungarian 27 Aug 93 p 3*

[Unattributed editorial: "While in Szarszo"]

[Text] In his latest editorial at Szarszo [the meeting has a daily publication], Istvan Csurka [chairman of the Hungarian Way Movement] assessed Imre Pozsgay's [chairman of the National Democratic Federation] speech: "Hungarians who think on a national and popular basis naturally give identical answers to the given problems. It follows from this that they can work together, even if they have different views on other issues." However, Laszlo Salamon, member of the Hungarian Democratic Forum [MDF], did not see any sign of political ecumenism at Szarszo. Liberal, left-wing, and center-right politicians also think that the final liquidation of Antall's politics is in progress in Szarszo. People who directly or indirectly established the current course are being dismissed. This is because many honest ideas failed to materialize, and there are many personal grievances that can be raised to the level of national and social issues.

It is not only sharing with a view to the coming months that is happening under the big wooden marquee. People are indeed talking about the nation's burning issues, without being aware of the fact that representing the nation's and the people's cause, and determining the national minimum, is not a job of the self-appointed defiance alliances. New coalitions emerge when it can be seen that the prevailing power constellation is in its last hours and its pillars are falling down. Sandor Csoori [chairman of the World Federation of Hungarians] wants to begin a new era with the help of the new roundtable that has no parties the same way as people wanted to lead the once existing socialism out of Hungarian history with the help of the national roundtable. However, the situation has changed and, rather than becoming stupid, society has gone through a serious political education process. Men known from politics are bustling about to show their faces and to announce their demand to succession through their presence here. Others will appear to be strengthening their rights to succession at the burial [the reburial of former governor Horthy] in Kenderes. There will also be people who appear in both places as political Michurins [Russian agricultural scientist] crossbreeding the plebeian Szarszoism with Horthy's line of heritage.

Csurka said to PESTI HIRLAP that we have to put it behind us that, according to some people "there are some black spots in Pozsgay's past." It is strange to hear this from him, just as is the suggestion that the non-extremist right wing should work together with the honest left wing. He also said that "the antidemocratism of the government coalition hides behind the constitutional statehood. If there is no provision of justice, justice does not exist, and the constitutional state is only a fiction." In the speeches in Szarszo, the participants very often refer to the nation and the people, and they express their indignation that society (that is supposedly under-age and can be deceived) can decide its own fate at democratic and multiparty elections. It is to be feared that, in addition to winning the elections, some kind of political alliance will also be formed to cancel the elections.

We are in the middle of the Szarszo meeting. The elements of ideological misappropriation, overhasty political robbing of dead people, and honest worry about the future of society, Hungarian culture, and the Hungarian people can be found equally. Therefore, Szarszo is a noteworthy forum of Hungarian public thinking and politics and, just like 50 years ago, many thoughts are raised here which must also be analyzed by people kept away from the conference. Summary judgments are a mistake because sometimes the unity is broken and, very occasionally, some people point over the fence of the Szarszo campsite, saying: That over there is also the Hungarian world.

## Free Democrats To Cooperate With Young Democrats

*LD2808192993 Budapest MTI in English 1732 GMT 28 Aug 93*

[Text] Budapest, August 28 (MTI)—The agreement between the Alliance of Free Democrats (AFD) and the Federation of Young Democrats (FYD) have made the two liberal parties capable of governing, as it is shown by the anti-liberal tone of the Szarszo conference, journalists were told after the AFD National Council's session in Budapest on Saturday. Party Chairman Ivan Peto announced that the council had approved the accord signed with FYD leaders on July 15 with one abstention. (The agreement laid foundations for political cooperation prior to next year's elections.)

In the debate before the voting, council members agreed it was a common interest that the country remain consolidated until the elections and stability is not jeopardized by the lasting crisis of the main ruling coalition party, the Hungarian Democratic Forum, Peto said. He noted that the prime minister was not invited to the Szarszo meeting for political reasons, while several ministers attended.

According to the Free Democrats, promises by other parties may also pose a danger. For example, the recently published debate material of the Hungarian Socialist Party formulates unrealistic demands that would impose unbearable burdens on the next government.

## Unemployment Rate Falls in First Six Months

*AU2708170493 Budapest MTI in English 0704 GMT 26 Aug 93*

[Text] Budapest, 26 August (MTI)—Workforce at Hungary's economic organizations with more than 20 employees fell by nine percent over the first six months of the year, with new small companies taking a part of released numbers, the Central Statistical Office told MTI.

The crisis accompanying changes to property was most felt in agriculture, game management, and forestry, with a 25 percent drop in workforce.

In June, 657,000 unemployed were listed in Hungary. On the last day of the month, 403,000 people received unemployment benefit and 84,000 income support.

## Defense Minister Comments on Yeltsin Visit

*AU3008184793 Warsaw POLSKA ZBROJNA in Polish 26 Aug 93 p 1*

[Statement by Defense Minister Janusz Onyszkiewicz to POLSKA ZBROJNA; place and date not given: "They Told POLSKA ZBROJNA"]

[Text] "This is a very important visit for Poland, because it shows how important bilateral cooperation is for both Poland and Russia. It gives that cooperation a very strong stimulus and also shows that Poland's aspirations of joining Western European and NATO security structures are understood by Russia and treated with understanding by Russia. I think that the declaration is exceptionally important, attests to Russia's great maturity, and bodes well for the future."

## Presidential Spokesman Comments

*AU3008184893 Warsaw POLSKA ZBROJNA in Polish 26 Aug 93 p 1*

[Statement by Andrzej Drzycimski, presidential press spokesman, to POLSKA ZBROJNA; place and date not given: "They Told POLSKA ZBROJNA"]

[Text] "It is a very important visit for Poland. I would say that it is a visit that marks a turning point, even a historic one, and that we will only appreciate that at some later date. Why is that? Because—first of all—we have broken with the past. We have closed a chapter of the past. That past does, of course, exist in our relations and we have to deal with it. However, matters relating to the future were stressed very strong. The first, most important thing is that Russia agrees to Poland's admission to NATO. At the moment, there are no opposing signals from the setup that is emerging in Central and Eastern Europe regarding the launching of diplomatic and political actions proceeding in that direction.

"Second, the trade treaty signed by both presidents is a treaty that creates great opportunities, but what use we make of them is up to us. What is more, a mechanism has been created that will make it possible to draw up a list of goods that are important for Russia and for Poland. That list will be a guarantee that we will supply each other with goods that are strategically important for us and essential for our economic development.

"Third, there is an element related to awareness. We have both had painful historical experiences. I have to say that I have witnessed personal talks between the presidents for the second time. The talks are very tough and tough arguments are advanced. However, when the arguments are convincing ones, the two presidents are able to act independently of their closest advisers and make decisions. Actually, thanks to that, one can say that the visit was a great success. It is a great bilateral success, because is was stated, for the first time, that our entry to NATO is not directed against Russia. The Russians accepted that, and understood that we would reduce the scope for possible conflicts in this way and that it also provides a great chance for them. They also see that, through our actions and by being in European structures, we can help them."

## Commentaries on Visit

*AU3008204093*

[Editorial Report] GAZETA WYBORCZA, ZYCIE WARSZAWY, NOWA EUROPA on 23 August all carry commentaries on the Polish visit by Russian President Boris Yeltsin which took place from 24 to 26 August.

In a 900-word front-page article entitled "Open Road to NATO," GAZETA WYBORCZA staffer Edward Krzemien writes that the most important result of the visit is Russia's approval of Poland's intention of joining NATO: "At last Russia has agreed to Poland's intention of joining NATO," writes Krzemien, who then quotes Foreign Minister Skubiszewski as saying that it is now up to NATO to make the next move, and expressing his wish that NATO quickly open itself to new members.

Krzemien notes that although the visit was scheduled to be an economic summit, its political effects surpassed the vague statements made on the need to increase trade. "The talks in the Belvedere [President Walesa's residence] were based on the principle of partnership, just like Poland's present relations with Russia," he says. "Although Moscow is grinding its teeth, it is nevertheless acknowledging our interests.

"So far," continues the GAZETA staffer, "Western politicians have been saying that Poland's admission to NATO would trigger an angry reaction from Moscow. Now they can no longer shield themselves behind objections from the Kremlin," he concludes.

ZYCIE WARSZAWY also provides front-page coverage of the visit. In a 500-word page 1 commentary called "Without a Cordon," Igor Janke stresses that although nobody expected far-reaching results from the visit, it has brought Poland unexpected success. "The Russians have helped us open the gate to NATO wider," writes Janke. The journalist recalls that NATO representatives have been repeating that Poland's integration with NATO cannot take place in spite of Russia. "But the question is, what price has Poland paid for Russia's sudden change of mind," he writes. "The Polish Foreign Ministry is keeping quiet about it."

"It seems that by retracting its objections to Poland's membership of NATO, Moscow wanted to receive an assurance that no new iron curtain would arise between an expanded NATO and Russia," continues Janke. "Information leaked by the visit's organizers suggests that Boris Yeltsin did receive such an assurance. If that is the case, then although the Russian president received relatively weak support from President Walesa, he gained a measure of success in Warsaw. We too have struck a good deal, though the question arises whether the price we have pay for Moscow's gesture is diminished influence on Ukraine and Belarus."

An unsigned editorial called "To Go With Russia?" on page 1 of NOWA EUROPA, claims that Polish foreign policy toward Russia is "indistinct." "This is best illustrated by Polish relations with Russia," says the paper. "Over the past four years, we have been unable to make our minds up as to whether this power is a menace to Poland or an opportunity. Neither do we know whether it is the existing chaos in Russia that is dangerous to us or whether the danger might stem from an attempt to stabilize Russia.

"By the way," continues NOWA EUROPA, "our interests in Moscow are still represented by a former PZPR [Polish communist party] Politburo member, and the success of consecutive Polish-Russian summits consists mainly of the release to us of archive material discrediting the former Politburo. One might fear that Polish-Russian relations, which have been difficult for hundreds of years, will enter a new phase of complications.

"The break up of the Yalta order has set unique conditions for diplomatic maneuvers, but this opportunity will not last forever," concludes the paper. "Sooner or later, Russia will return to its superpower position, not waiting for Polish diplomacy to decide in which direction it wants to go."

## IMF Mission Satisfied With Economic Results

*LD3008145293 Warsaw PAP in English 1421 GMT 30 Aug 93*

[Text] Warsaw, Aug. 30—A mission of the International Monetary Fund (IMF) which ended its week-long visit here last Saturday was satisfied with the condition of the Polish economy, according to the Polish Deputy Finance Minister Stefan Kawalec.

The criteria of implementation of the latest Polish-IMF agreement were met, with one exception, in the first half-year, the mission found. The exception related to lower than planned bank reserves of foreign exchange (by 95 m dollars). This should be corrected by the devaluation of the Polish currency by 8 percent announced last Friday.

The IMF mission will recommend that the fund accept the letter of intention drafted by the Polish finance minister and the president of the National Bank of Poland and outlining the implementation of the criteria in the first half-year. The letter will be discussed on 17 September, Kawalec told reporters Monday.

He added that in practice the favourable opinion passed by the mission meant that the fund authorities will accept the letter, paving the way for further IMF loans to Poland.

Under the present agreement, IMF will lend this country 700 m dollars over a period of 14 months.

## Labor Union Election Chief on Politics

*WS3008133093 Warsaw Radio Zet in Polish 0615 GMT 30 Aug 93*

[Studio interview with Professor Tomasz Nalecz, Union of Labor election headquarters chief, by Krzysztof Skowronski; from the "Guest of Radio Z" program—live]

[Text] [Skowronski] Will the left win the elections?

[Nalecz] Public opinion polls indicate that it will certainly have more representatives than in the previous Sejm.

[Skowronski] But which leftist party will be stronger, SLD [Democratic Left Alliance] or the Union of Labor?

[Nalecz] Everything is in the voters' hands. I have not lost hope that the Union of Labor will be the stronger one.

[Skowronski] Is SLD a potential ally of the Union of Labor?

[Nalecz] I think that as far as defending workers' interests on many issues is concerned, the answer is definitely yes, even though we do not hide the fact that we want to build the left in Poland on principles which are different from those of SLD.

[Skowronski] But is cooperation in the Sejm possible, a government coalition composed of SLD, the Union of Labor, and other parties?

[Nalecz] It is much too early to say. I think that as far as cooperation is concerned on many issues, the answer is definitely yes, but as far as creating a government is concerned, I think the answer must be no.

[Skowronski] And what about a government with the Union of Labor and UD [Democratic Union]?

[Nalecz] I think yes. I think that UD's policy will be different if the Union of Labor is their ally and not ZChN [Christian-National Union].

[Skowronski] And is the Union of Labor ready to approve of Prime Minister Suchocka as the head of the future government?

[Nalecz] It is too early to talk about it. I like Prime Minister Suchocka very much as a person who heads a cabinet.

[Skowronski] Is Ms. Hanna Suchocka a good prime minister, would you evaluate her this way?

[Nalecz] The prime minister, and especially her press secretary, emphasize a major difference between Ms. Hanna Suchocka as a person, and as the prime minister of a coalition government which includes for instance Deputy Prime Minister Goryszewski. We also differentiate very much between those two things. We like Ms.

Hanna Suchocka as a politician and as a woman, but we have many reservations concerning her government's policy.

[Skowronski] What kind of reservations are these?

[Nalecz] First of all, the continuation in Poland of a liberal policy which has been quite persistently implemented for four years, and about which I think few persons in the country have doubts concerning the fact that it is not an efficient prescription for reforming the Polish economy. Apart from that, there is also the succumbing to the influence of the Polish right in many areas, which has quite strong nationalist inclinations. I mean here in particular the ominous influence of ZChN.

[Skowronski] UD supports popular privatization, while the Union of Labor does not. How does one reconcile that while cooperating on forming the possible future government?

[Nalecz] I think it is certainly a question of a modification, or of major changes, in the privatization policy. We are warning against the great swindle which is behind the program of popular privatization. The liberals are too clever intellectually not to know what they are proposing, and I think there is a lot of political fraud in that. Popular privatization is an idea for giving up the right to participation in the national wealth by millions of citizens. That national wealth was created for a period of several dozen years, and the giving up of this right takes place at the cost of sacrifices by all of us. The issue is about giving each one of us a share in the national wealth upon the payment of an unfair equivalent; but many people living almost in poverty or truly in poverty will not wait for several years for the coupons to which they are entitled as participants in the popular privatization. They will put the securities up on the market, where the securities will immediately lose their value, and then the Polish class of owners will buy out these securities at low prices, and this way our economy will be privatized, while the liberals will spread their arms in a gesture of helplessness and say: you could have stuck to the securities, why did you put them up on the market?

[Skowronski] And that is the swindle which the program of popular privatization is effecting?

[Nalecz] In my opinion, one should talk about this openly. One should talk openly about the fact that a capitalism with several million owners is not possible, and that this is how it must end.

[Skowronski] The Union of Labor wants to dissolve the Ministry of Ownership Transformations. Does it mean the Union wants to halt the privatization process?

[Nalecz] I mean, we want to conduct the privatization using different rules, slowly, because it is known that if you suddenly put massive quantities of some commodity up on the market, its value automatically decreases. We want to initiate privatization first of all with those companies that are in poor shape, because we want to save first of all the state sector which currently is bearing the most expenses, the most budget income, and ruining the state sector means ruining the Polish budget.

[Skowronski] But how does one privatize the companies, the weak companies? Who will buy them? And for what?

[Nalecz] I think that we will have people willing to buy the companies if the process is spread over some amount of time, especially if the companies are indispensable to the functioning of the Polish economy. We do not hide it — we are in favor of slowing the rate of privatization.

[Skowronski] Does this government have any industrial policy?

[Nalecz] You know, Mr.Tadeusz Stryjczyk, the prime minister's leading economic adviser, is a person who is always in her shadow. Minister Stryjczyk, a minister in Tadeusz Mazowiecki's government did not hide the fact that the fundamental principle of industrial policy is not to have any policy, because everything is ruled by the invisible hand of the market. That was even his main slogan as a minister.

[Skowronski] What kind of industrial policy would the Union of Labor propose?

[Nalecz] First of all, it would be about making all the sectors equal, because the state sector has been discriminated against for four years.

[Skowronski] In what way?

[Nalecz] First of all, for instance a tax equalization, getting rid of the tax on above-the-plan growth of wages and of dividends which are taxes imposing a burden only on the state sector, and not affecting the private sector. Our industrial policy would be first of all about making the sectors equal, and also about protecting domestic production. Our experts have calculated that as a result of the unjustified imports which have been flowing into Poland in mass numbers for four years, about 800,000 jobs have been lost in the country.

[Skowronski] Is reprivatization also a slogan of the Union of Labor? Does the Union of Labor want to reprivatize? How should this problem be solved?

[Nalecz] We think that two things must be reconciled: reprivatization and social interest. The kind of arrangements which existed in Poland in 1939 cannot be brought back; the period of Nazi occupation was a period of popular expropriation of Poles by the Nazi occupying force, and also by Russians in the eastern voivodships. The original state of affairs was never reinstated. Louis the 18th, when he took over power in France in 1815, did not reinstate the property relations from before the French Revolution. We are in favor of balancing reprivatization and social interest.

[Skowronski] But what should be returned?

[Nalecz] Things should be returned in such a way that if we have the interests of one person involved on the one hand, and let us say of 1,000 tenants on the other, then we should follow the interest of the 1,000 tenants, and not of the one owner of several tenement-houses.

[Skowronski] We talked about popular privatization; what do you think about the program of 300 million [zlotys] which BBWR [Non-Party Bloc In Support of Reforms] is suggesting? Are you laughing at it?

[Nalecz] I am smiling because in my opinion, it is a type of election-time lollipop. It is a kind of camouflaged form of credit-giving whose purpose is again to create an impression that a capitalist luxury for 30 or 40 million citizens is possible in Poland.

[Skowronski] So you think the idea is unrealistic?

[Nalecz] I think it is absolutely unrealistic the way it is presented by BBWR. It is a clever way of financing, of giving credits to the class of industrialists or employers. I think that BBWR is this kind of a group first of all.

[Skowronski] What kind of a regime does the Union of Labor want? Does it want more power for the president, or for the Sejm, or does it want the status quo to be maintained after the elections?

[Nalecz] No. We want a parliamentary republic where the Parliament enacts laws, a strong government responsible before the Parliament which does the day-to-day governing, and we want a president as an umpire. In every civilized country there are moments of conflict; these conflicts should be resolved in a civilized way and the president should serve as an umpire. We think that unfortunately President Walesa is increasingly taking sides in political conflicts in Poland, not serving as an umpire.

[Skowronski] So what should be done then? Should the president be changed?

[Nalecz] The term of office is in progress. There will be new elections, and we think everything is in the voters' hands.

[Skowronski] You said Poland needs a strong government. Is the government that is currently in power strong? Should this be the government's strength, or should it be increased by the power to issue decrees? What should this be like?

[Nalecz] No, by strong government I mean the structural position of the government. We are very much in favor of a constructive veto for instance. A constructive veto, I mean a constructive vote of no-confidence, is a principle where a government can be brought down only when there is a coalition formed which will create a new government.

[Skowronski] So the situation that occurred when the government of Mrs. Hanna Suchocka was being brought down, that situation would not be possible?

[Nalecz] Yes, and that is why there were very serious differences of opinions in our [deputies] club, which was very small in that Sejm; it consisted of six people. Some of our deputies thought that bringing down a government for which there is no alternative is an irresponsible behavior. Poland cannot exist in anarchy; we have a very long tradition of having existed in anarchy and it brought very bad results for Poland.

[Skowronski] The main slogan of the Union of Labor is: to bring back the hope. What does it mean? How could we decipher this slogan?

[Nalecz] This slogan refers obviously to 1980, 1981, and 1989. We think that a big, massive, movement of millions of people, which Solidarity was, is a kind of movement which right now is very timely. Solidarity's election program from 1989 and its program from the 1980s does not speak of building capitalism by liberal methods; that program spoke about defending the dignity of social rights of man, of work. We want to bring back precisely this kind of hope.

[Skowronski] The Union of Labor wants to protect the poorest— the unemployed, senior citizens, pensioners. How will this happen. Where will you get the money to do this?

[Nalecz] We want to defend them, but not by means of charity. We do not want to defend them with benefits and subsidies; these are band aids which must be put on the wound but which do not solve anything. They must be protected by initiating growth in the economy, not in order to pay benefits but so that the unemployed can find jobs. And that is why we are suggesting the protection of domestic production, because protecting domestic production means new jobs for the unemployed.

[Skowronski, interrupting] But how does one initiate growth tendencies in the economy? What is the mechanism here?

[Nalecz] We think this should be done for instance through the strict execution of tax laws. Our deputies in the Sejm very persistently demanded the creation of a Treasury police, a strengthening of customs protection. We also think that should these sources of income turn out to be inefficient, it would still be necessary to increase the budget deficit by some amount, in order to revive the economy, as long as the money is invested in the economy and in getting domestic production moving.

[Skowronski] You mean increasing the deficit to above 5 percent?

[Nalecz] It is hard to say. Perhaps it will be an increase of 1 or 2 percent. But we should at all cost try to find financial means for initiating domestic production.

[Skowronski] Union of Labor's politicians very often mention PSL [Polish Peasant Party] as the closest ally of the Union of Labor. The same applies to KPN [Confederation for an Independent Poland]—KPN also thinks that PSL is the Union of Labor's closest ally, but KPN and the Union of Labor are not one another's allies. Why? What is this about?

[Nalecz] I think that PSL's attitude is the best indicator here. They are very willing to cooperate with the Union of Labor, but they are silent on KPN's courtship.

[Skowronski] But does that mean that PSL has the kind of program to which all the parties can adapt, or is it that PSL can adapt to all the parties' programs?

[Nalecz] I do not think so. I cannot see too many common elements between PSL's and KPN's programs, but it is not up to me to speak about KPN's program here.

[Skowronski] So the Union of Labor will certainly not be in an alliance with KPN?

[Nalecz] No, certainly not. We regard KPN as a group based on demagogy and quick slogans. The best proof of that is the attitude toward KPN's election slogan. KPN was the first to come out on the street with a slogan: Welcome Poland, Good-Bye to the Left. But KPN's economic program is more leftist than ours on many points. That does not speak well for the group's serious nature.

[Skowronski] Who else will the Union of Labor not join in an alliance?

[Nalecz] Certainly not ZChN for which it is more important that Poland be Catholic than that it have a well-functioning economy. Although we have nothing against religion or Catholicism, we are against basing economic and political life on doctrines. Certainly not those people for whom decommunization and not the economy is the most important thing; we are in the same boat with everyone who wants to defend workers' interests and do not look for second-hand topics.

[Skowronski] So we have one party left—BBWR. Are you in the same boat with BBWR?

[Nalecz] Presently BBWR is a very undefined composition. According to our predictions, they will be a party which will mainly defend the interests of employers not employees, if it gains seats in Parliament of course. And that is why we have very many doubts as regards BBWR.

[Skowronski] And what about Self-Defense?

[Nalecz, laughing] You came up with a very easy question for me at the end. Self-Defense is a way to nothingness in Poland, a way to anarchy, chaos, to populism. No, no, that is ....[pauses] We are warning very definitely against this type of phenomena.

[Skowronski] The guest of Radio Zet today was Professor Tomasz Nalecz, election headquarters chief for the Union of Labor. Thank you for the conversation.

[Nalecz] Thank you very much.

## New Trade Minister Ionescu Explains Objectives

*AU2908161493 Bucharest Radio Romania Network in Romanian 1700 GMT 28 Aug 93*

[Statement by Cristian Ionescu, newly appointed minister of trade, in Bucharest on 28 August—recorded]

[Text] One could say that I am the new minister of trade, but I am certainly an old employee, who has worked in foreign trade. When I say that, I mean that I have been working exclusively in that domain since 1965.

Our wish is to continue the course that has already been set, respectively, and I realize that this may sound somewhat declarative, to augment Romanian exports so as to be able to prove once and for all that Romania has great potential, that Romania has always been important in international commerce, and that we have sufficient resources to fully participate in the current international competition.

The minute I accepted this office, however, I also accepted to deal with the problems of our internal trade. If we want to introduce the norms of market economy, we have to make considerably larger efforts than before because we have to satisfy the desires of our consumers to a much greater extent. After all, my family, my friends, and I all belong to that large category.

As you know, there is quite a number of problems to be solved, but I do not consider them as objective hurdles that cannot be surmounted. I think that with a little more goodwill, care, and—let me put it this way—dedication, we can establish civilized circumstances in trade and, thus, comply with the requirements posed by our wish to return to Europe.

## New Economic Chief Views Tasks

*AU2908184993 Bucharest Radio Romania Network in Romanian 1700 GMT 28 Aug 93*

[Statement by Mircea Cosea, newly elected minister of state and chairman of the Council for Coordination, Strategy and Economic Reform, in Bucharest on 28 August—recorded]

[Text] It is very difficult to grant interviews immediately after taking over a new office because one finds oneself in a very complicated psychological state, full of emotions, promises made to oneself about what one wants to do in the future—although one has seen that it cannot be done—and one's hope that one can do what one always wanted most for oneself at last.

I personally consider this appointment a great achievement of mine because I have been struggling for reform for the past three years. I was involved in many of its aspects, and I hope that Romania can implement a kind of reform that will be appreciated abroad, but not in the sense that it should be something spectacular to be internationally praised. Of course, first of all, it should be appreciated by each individual living in Romania. I hope to be able to make our people finally see that reform does not merely imply sacrifice, but that it will eventually expand our horizons and improve our lives. I hope that each Romanian citizen will trust me when I say that reform is not merely a change without formal alterations and that it represents the greatest hope for the future of each of our citizens.

What else can I say? Reform belongs neither to me, nor to the council, nor Mr. Negritoiu, nor Mr. Vacaroiu, nor the president, but rather it is a national good in which everyone tries to involve himself as much as possible. Until now, I participated with my best fortitude and knowledge; now it is my duty to prove that my involvement can be efficient as well and not just in the declarative sense. I consider my current position and duties as just another link in the long chain of persons, ideas, and actions succeeding one after another.

My greatest hope now is to be able to obtain a large consensus with all the people whom I know support reform and that want a change, irrespective of the fact whether they are members of the government or involved in politics or not. In other words, I do not want a national consensus but rather an intellectual consensus.

From now on, I would like people to consider reform as an activity that requires each of us to assume full responsibility so that in five or 10 years time, we can tell those people, who are living happier, that in this or that particular year, we also participated in implementing reform by doing this or that at a strategic or practical level.

I would not like to continue with a statement full of many commitments, so to speak, and I am not promising that I will solve everything, but I certainly hope that judging from what I have done so far, my record offers sufficient guarantees that I will not betray our cause and that I will continue to struggle for the best in the same way I have struggled up until now.

## New Culture Minister on Goals

*AU2908162093 Bucharest Radio Romania Network in Romanian 1700 GMT 28 Aug 93*

[Statement by Petre Salcudeanu, newly appointed minister of culture, in Bucharest on 28 August—recorded]

[Text] First of all, I would like to tell you that culture is not made by ministries of culture but rather by men of culture. Ministries of culture should find the necessary organizational frame and the appropriate climate for cultural development. In that sense I will do my best.

From an organizational point of view, my experience may not be vast; however, I do not lack experience in a number of key branches that are essential for culture and I believe that my common sense and sense for proportions will allow me to realize exactly what is needed and what is good for the written word and what is expressed by means of images, for the monuments and the patrimony of our country.

I am setting out on this road after having seriously pondered everything. It was neither simple nor easy for me to accept this position, but we have reached a stage where I sincerely believe that those people who have accumulated a certain amount of experience and see the arts as something special should involve themselves in the cultural phenomenon, which, in my opinion, is one of the main sectors of our social life.

## New Sports Minister on Tasks

*AU2908161293 Bucharest Radio Romania Network in Romanian 1700 GMT 28 Aug 93*

[Statement by Alexandru Mironov, newly appointed minister of youth and sports, in Bucharest on 28 August—recorded]

[Text] I realize, of course, that my appointment as minister of youth and sports means that from now on I will have to engage in an extremely difficult activity since quite a few things have to be done, especially in the youth department. I say that because as far as the sports department is concerned, I believe that a lot of our other social domains would actually be well advised to follow the example set by Romanian sportsmen and their increasingly better performance over the past four years.

I hope that I will be able to build a good team. We have already begun to draft our plans for the future, such as the elaboration of a youth charter, which will be a kind of youth bill to be submitted to Parliament.

We will also try to use our honored masters and trainers of sports in a better way and try to introduce a new and more stimulating taxation system for sportsmen, possibly even exempting some of them from paying taxes, to make sports activities more attractive.

Of course, there are many other things to be done. Our activity should become more coherent. We will have to better coordinate our work with other youth foundations and we will have to make better use of our patrimony, such as our summer youth camps and youth tourist bases, as well as the culture houses operated by various youth foundations. The Ministry of Youth and Sports will have to actively support all those activities.

Thus, I realize that there is a great deal to be done, and a large number of people will have to make great efforts to solve the huge problems facing our country's youth. I certainly hope that Romanian radio, television, and the press will prove to be receptive with respect to the problems and wishes of 6 million Romanians—that is, our country's children and youth.

## Opposition Demands Investigation of New Ministers

*AU3008180093 Bucharest ROMPRES in English 1635 GMT 30 Aug 93*

[Text] Bucharest ROMPRES, 30/8/1993—Seven opposition parties asked the prime minister to start the constitutional procedure of investing the newly appointed ministers according to the constitutional provisions on government investiture and within the 45-day term stipulated by the Constitution. The parties signatory to the communique are: the Civic Alliance Party, the Democratic Party (National Salvation Front), Romanian Ecologist Party, Liberal Party '93, Christian-Democratic National Peasant Party, the Romanian Social Democratic Party and the Hungarian Democratic Union of Romania.

The communique reads that the government reshuffle announced by the prime minister on August 28, 1993, proves "once more" that unobservance of the law, of the Constitution in the first place, is "has become a practice for the power and the ruling party."

## Melescanu, Moldova's Certan Discuss Fuel Deliveries

*AU3008194793 Bucharest ROMPRES in English 1801 GMT 30 Aug 93*

[Text] Bucharest ROMPRES, 30/8/1993—"The delegation of the Republic of Moldova is here to coordinate the conditions for the state loan and the support loan promised by the Government of Romania," said Sergiu Certan, minister of economy of the republic, head of a delegation of ministry executives, at the end of the talks he had Monday afternoon, 30 August, with Foreign Minister Teodor Melescanu who is also heading the Interministerial Committee for Romania's Relations with the Republic of Moldova.

The talks were centred on the temporary allocation for the month of August of 3.5 billion lei from the Moldova fund for fuel supplies, and the conditions for the 20 billion lei long-term loan to Moldova, for which the cabinet passed the draft law in its latest meeting and submitted it to Parliament for approval. The sides also examined the processing on commercial bases, in Romanian refineries, of crude purchased by the Republic of Moldova, as well as financing schemes for the commercial operations between the two countries.

## Spiroiu Favors 'Indefinite' Ties With Hungarian Army

*AU2708201493 Bucharest ROMPRES in English 1012 GMT 27 Aug 93*

[Text] Bucharest ROMPRES, 27/8/1993—Romanian Defence Minister Niculae Spiroiu said in an interview for the weekly EXPRES MAGAZIN that he was in favour of developing the relations with the Hungarian Army and specified that the conditions were ensured by "a treaty on indefinite time with this army." It is also a world premiere the "Open Skies" agreement concluded between the Romanian and Hungarian Armies. "We have permanently sought solutions counteracting the tendency of causing inter-ethnic conflicts in Romania, although, unfortunately, members of the Hungarian Diaspora, and from time to time, even Hungarian officials raise this issue attacking the Peace Treaty of Trianon (1920). We do not promote military policies outside the policy of the Romanian state. We just foster good relationships with the Hungarian Army in the attempt to build up trust and to stop both in Romania and in Hungary absurd claims coming from both sides. We have agreed to develop, through transparent means and mutual rapprochement, confidence at military level. This can discourage the tendencies of creating an unfavourable and distorted image for both sides. Our actions of confidence and cooperation between the two armies discourage the attempts of presenting Romania other than it really is. And this discourages our little nationalist and extremist circles, not only those of the Hungarian Diaspora. This must be a bilateral working Hungary should proceed to a similar discouragement of its extremist nationalists," the Romanian defence minister said.

## Nastase Views PDSR's Social-Democratic Goals

*AU3008194493 Bucharest ROMANIA LIBERA in Romanian 27 Aug 93 p 3*

[Interview with Adrian Nastase, president of the Chamber of Deputies, by Ana-Maria Vintan; place and date not given: "President Ion Iliescu Is the Best Politician We Have"]

[Text] [Vintan] Mr. Adrian Nastase, is the party, whose executive president you are assuming responsibility for, the current government?

[Nastase] As far as the government is concerned, it is very clear that it is a government formed by this party, hence all the inherent benefits and hardships regarding the party's popularity. First of all, we are talking here about political responsibility toward the voters and about the various consequences of the government's success, or lack of it. Your question is slightly provocative, since it pertains to a certain kind of political rhetoric, so to say. Nevertheless, leaving aside the tendentious way that the question was formulated, I believe any party that forms a government bears a certain responsibility for it or, better said, its responsibility is very clear as far as the relations with the electorate are concerned, since the voters are those who will eventually pronounce the success or lack of success of the government.

[Vintan] Shall I interpret this as meaning that your party is assuming responsibility for the failures of this cabinet?

[Nastase] I do not believe that this is the key issue, whether to assume responsibility or not. Even if we do not, the responsibility will still be attributed to this party. It is not the Democratic Convention [CDR] that will be held responsible for the government, but the Social Democracy Party of Romania [PDSR].

[Vintan] Still, do you think that your party should chastise the government for its incompetence? I am thinking in terms of a reshuffle or even dismissals from this cabinet.

[Nastase] This is not necessarily a matter of incompetence, it might be just inefficiency.

[Vintan] O.K., let us use this term, if you like.

[Nastase] I believe that the model used in all countries, that is of a governmental reshuffle, is also perfectly applicable in Romania.

[Vintan] Therefore, leaving generalities aside, do you consider a governmental reshuffle to be necessary?

[Nastase] Yes. After almost one year in power, it is high time for a reshuffle.

[Vintan] What ministries do you have in mind?

[Nastase] I do not want to go into details here, since this matter is going to be properly examined and the decisions made by the prime minister, together with the country's president, in the known procedure. I do not want to make any other comments on this matter, since they might affect the reshuffle process.

[Vintan] Could the existence of two trends within the PDSR, the conservative and the reforming wing, lead to a split within the party?

[Nastase] For months now, there has been a stereotype opinion of these two wings. I think that this is the wrong way to approach the issue. I believe that the palette of opinions is far more varied and graded than that, something that actually characterizes other parties, too. I do not think that there are two teams confronting each other. There are differences of approach, but not only two. The changes within the party are moving in a positive direction, something that is becoming increasingly more obvious to everyone. The National Conference, which just took place, the certain dynamization of local structures, and the mergers with the three other parties are gradually leading to the party's strengthening and the assertion of a broader opening.

[Vintan] The National Conference has sanctioned, if you like, the social-democratic doctrine. How does this explain the statement made by a prominent PDSR member, who equated the trade union struggle with "trade union terrorism"?

[Nastase] Our party is as interested in the people's problems as the other parties. But it is faced with an extra difficulty: Since it is a government party, the PDSR must also take certain budgetary, economic, and practical restrictions into consideration, something that imposes a strain on the dialogue with the trade unions, who obviously want to increase salaries in this time of economic hardship. This tension is bound to lead to certain difficulties at times. That is why we have set up a special department within our party in charge of promoting the links with the trade unions.

[Vintan] I understand that a social-democratic government could not be all that efficient and bear fruit in this time of acute crisis?

[Nastase] I have never said that and I do no believe that such a thing can be said, particularly since we are talking about a specific economy. I do not believe that social-democracy should be considered a kind of luxury that is used only when there is too much wealth in society, which can only then afford the luxury of a social-democratic government. On the contrary, I believe that social-democracy can be the motor of economic recovery. For example, social-democracy was the driving force of efficient action in many Western societies after the war.

[Vintan] Please give us an example.

[Nastase] I believe that this happened in the Scandinavian countries. Germany, after the crisis period, that is after the fifties, when the period of crisis was at its peak, was strongly marked by social democracy.

[Vintan] Nevertheless, until then, it has had some 15 years of liberalism.

[Nastase] This was not the case everywhere, besides it is hard to make comparisons. The Marshall Plan meant a huge infusion of capital, which is not the case with us. That situation permitted all sorts of ways of tackling the issue. In the last instance, I do not believe that we must necessarily justify everything by making reference to other countries. For the time being, the voters' choice, and this is the basic law in a democratic system, has been for the social-democratic formula. In my opinion, social-democracy can ensure a less painful process of transition.

[Vintan] You are the president of the PDSR (formerly the Democratic National Salvation Front). In this capacity, would you agree to run for the country's presidency at the next general elections?

[Nastase] I believe that, in our situation, we cannot make too many forecasts in the medium term. There are too many variables that can change the nature of the problem. I have not given any thought to this matter.

[Vintan] What if you were to give it some thought now?

[Nastase] Anyway, I would not contemplate running against President Ion Iliescu. I believe that President Iliescu is the best politician we have right now. He is the only one with the necessary experience for the current period. One needs a lot of experience to run for president. Each one of us is making great efforts to learn. Of course, after three to four years of political activity, I know more than I knew in 1989. Maybe I will know even more in the future.

## Aid to Moldova Seen as Means To Reduce Deficit

*AU3008074993 Bucharest EVENIMENTUL ZILEI in Romanian 24 Aug 93 p 5*

[Iulian Chifu article: "Romania Is Using the Assistance Granted to the Republic of Moldova as a Means of Reducing Its Budgetary Deficit"]

[Text] Political observers, in a series of press editorials issued on 21 August 1993 in Chisinau, expressed skepticism regarding the assistance coming from Romania. They affirmed that: "It is one of Romania's attempts to reduce its budgetary deficit and hard currency expenditure by purchasing foodstuff in exchange for technical credit granted to the Republic of Moldova to conclude its fall agricultural campaign and revitalize production."

Although the aid announced in President Ion Iliescu's statement was unanimously hailed by politicians, the Vacaroiu Government is vehemently accused of regarding it as an usual trade transaction between two economic partners. The editorials also condemn the haste with which the Romanian leaders arrived in the Moldovan capital in order to identify means of payment in kind for the technical credit granted. However, under the conditions of the economic blockade imposed by Russia, political observers unanimously agree that any kind of assistance is welcome.

Government sources confirmed that on Friday, 20 August, a meeting of the executive power of the Republic of Moldova, held behind closed doors, discussed the attitude to be adopted toward the Romanian assistance and means of payment specified by the Romanian side.

## Extraordinary Parliament Session on Corruption Opens

*AU3008190093 Bucharest ROMPRES in English 1420 GMT 30 Aug 93*

[Text] Bucharest ROMPRES, 30/8/1993--The two chambers of the Romanian Parliament convened in plenum Monday, 30 August, in an extraordinary session. The sitting started with the vigorous assertion of very divergent viewpoints by both the majority and the opposition on matters of procedure. The object of dispute was the very topic of the session, namely the documents furnished by the Parliamentary Anti-Corruption Committee. The opposition demanded that the session should debate exclusively the committee's preliminary report submitted on the last day of the previous ordinary session, 30 June 1993. In reply, the parliamentary majority demanded that the plenum also discuss a second preliminary report by the same committee, containing their findings subsequent to investigations during the summer recess. Finally, by show of hands, with only 22 votes against and 8 abstentions, the two chambers decided the agenda and the session's schedule according to the version drafted earlier in the morning after negotiations between the members of the permanent bureaus and the parliamentary group leaders.

The agenda and the schedule abide by the convention reached by the sides on allotting the bulk of the debates to the preliminary report of 30 June. It was also agreed that the 13 members of the Anti-Corruption Committee be allowed to express from the rostrum, for the plenum's information, their personal views on the investigations conducted in July and August.

## ECONOMISTUL Reviews Financial Situation

*AU2708203493 Bucharest ROMPRES in English 1301 GMT 27 Aug 93*

[Text] Bucharest, ROMPRES, 27/8/1993—Romania contracted and guaranteed $4,339.9 million worth of long- and middle-term foreign credits on June 30, of which $2,869.8 million were contracted by the state (66.1 percent) and $1,470.1 million contracted by economic agents and guaranteed by the state, writes the biweekly ECONOMISTUL.

The state contracted $2,210.4 million (77 percent) to finance the balance of payments, $180 million (6.3 percent) for critical payments, $150 million (5.2 percent) for healthcare, $175.5 million (6 percent) for trade, $118 million (4.2 percent) for agriculture, $30.6 million (1 percent) for the power system revamping, $10 million (0.3 percent) for industry.

$2,605.9 million, that is, 90.8 percent of the total $2,869.8 million contracted by the state were earmarked for consumption and the remaining $263.9 million—9.2 percent—for development.

Economic agents contracted and the state guaranteed credits on June 30 for the revamping of the power production system, transport, telecommunications, tourism, trade, the modernization of agriculture, healthcare, importation of foodstuffs.

ECONOMISTUL also mentions that Romania's domestic public debt stood on June 30 at 482.7 billion lei and it consisted of loans for the financing of the budget deficit on 1991 (32.9 billion lei), a 155.9 billion lei worth of a loan to cover the losses of state-run enterprises, loans to cover the 1992 state budget deficit which totals 261.3 billion lei and the contribution of the Romanian party to the building of the Krivoi-Rog (Ukraine) Combine—21.5 billion lei—and 11.1 billion lei worth of a loan contracted by issuing securities in order to finance the state budget deficit on 1991 and 1992.

## Former Minister Babiuc Discusses Judicial System

*AU2708164693 Bucharest ROMANIA LIBERA in Romanian 20 Aug 93 p 3*

[First part of two-part interview with Victor Babiuc, Democratic Party (National Salvation Front) deputy and former minister of the interior, by Florin Gabriel Marculescu; place and date not given: "We Live in a Kafkaesque Universe"]

[Excerpt] [Marculescu] Mr. Babiuc, without dramatic exaggeration, we can say that our country is currently going through a very difficult period. What do you think are the sources of evil?

[Babiuc] I could mention at least two that are really essential. First of all, the lack of the will for change. In 1989, we set in motion a revolution, because the country desired something other than what it had for the 45 years following World War II. But we can see that the changes that began following 1989 have stopped in all areas since the Vacaroiu Government came to power. Absolutely nothing has happened since then. That is the source of all the bewilderment, dissatisfaction, tension, and confusion that has overcome us all. And all this is happening in a background of moral crisis of Romanian society, which is accentuating the crises in all the areas we can think of.

[Marculescu] Could one speak about a continuation of communism?

[Babiuc] It is very difficult to tell. You see, if we look at what has happened in Romania since the revolution, we can note very important changes. We have a different state organization; we have a freely elected parliament; we have a government that corresponds to the composition of the parliament; a president, who was elected in a general election; and we have political parties, too many political parties. Thus, one could say that the country has changed.

[Marculescu] Apparently...

[Babiuc] Difficulties in making an assessment appear when we look at who is working within this new structure and we discover that, currently, too many functions are held by the same people. And, as is known in social sciences, when one sets up a new structure but put the same people to work in it, the old mentalities are perpetuated and the results are far from those desired. And, at least from a political point of view, we are in this situation. There are still too many people from the old structures, who still have power to operate in all areas.

[Marculescu] What about the separation of power or is it more appropriate to talk, as before, about the unity of power and the concentration of power in one hand?

[Babiuc] Disregarding the fact that, in the Constitution, the separation of power, as such, is not sanctioned, an idea that, I believe, nevertheless emerges from the Constitution, our country is also advancing toward an organization that is in accordance with this fundamental principle of democratic states. However, unfortunately, the mentality that many people who occupy important positions in our state used to have and continue to have makes us slowly, slowly realize what elements are concentrated in certain positions. Instead of expressing the principle that you have mentioned, they would rather express the principle of unity of power because the three powers, which were set up to cooperate and control each other, have reached a situation where they are coordinated from a certain central department because of the obscure mechanisms of those in power, and this is at variance with the principle in question.

[Marculescu] Could you be a little more specific? Are you perhaps talking about Cotroceni?

[Babiuc] You have already written quite enough on this subject.

[Marculescu] Can you conceive a state of law without judicial power?

[Babiuc] There is no state of law without judicial power. From this point of view, any speculation is useless.

[Marculescu] However, in our country the judicial power is hidden in the pocket of those in power....

[Babiuc] The judicial power is important and one of the most sensitive elements of the state of law. We have inherited a judicial power that was far from what there should be in a democratic state. There was a need to reform it, not only its organizational structure, but also its personnel and the mentality of those people. The organizational structure that was worked out was meant to be in accordance with our traditions in the inter-war period and with structures that can be seen in other democratic countries. Unfortunately, however, there is a certain discrepancy between what was planned and the end result, to the detriment of the aforementioned ideas. [passage omitted]

## Izetbegovic To Sign Geneva Accord, Resign

*LD3008204893 Belgrade TANJUG Domestic Service in Serbo-Croatian 2025 GMT 30 Aug 93*

[Text] Pale, 30 Aug (TANJUG)—Although the Muslim assembly at its meeting in Sarajevo did not accept the Geneva proposal as a solution for the former Bosnia-Herzegovina, Alija Izetbegovic intends to sign the document, according to some of his close aides, a TANJUG reporter found out this evening from a reliable source who insisted on anonymity.

According to the same source, Alija Izetbegovic is to resign from the Muslim leadership in Sarajevo after signing the Geneva document.

It is also claimed that Izetbegovic will not even return to Sarajevo from Geneva, but will take up residence in an Islamic country, where, allegedly, everything is ready for his arrival.

Izetbegovic's decision to sign the Geneva agreement after all is interpreted as his desire to leave his mark in history as a creator of the first Islamic country in Europe, which will represent at least a partial fulfillment of his ideas.

## Izetbegovic, Pejanovic Issue Statements

*AU3008145593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 30 Aug 93*

[Excerpt] [passage omitted] Just prior to our delegation's departure for Geneva, President Alija Izetbegovic made the following statement:

I am leaving to demand justice for the Muslim people and all the people of this country, although some of them do not deserve it. I feel like a parched man who has been sent to the desert to look for water. Our people need peace, yet they are being offered solutions that are worse than war. There is little justice and the law of force still reigns in international relations—much more than we imagined. We will try to turn our rights and our advantages—and they are not small—into a force.

It will be hard in Geneva, but our delegation will do everything to keep Bosnia-Herzegovina a state in which no one will be humiliated and persecuted because of his religion, nationality, or political views. If some other things are beyond our power, this is in our hands. This was stated by Alija Izetbegovic prior to his departure for Geneva.

Prior to the Bosnia-Herzegovina delegation's departure for Geneva, Presidency member Mirko Pejanovic said:

The continuation of the negotiations in Geneva will be difficult and strenuous. All the participants in the negotiations have put together their remarks on the proposed peace package. On the basis of these demands, we have to reach a solution that will be acceptable to everyone. Our delegation will have the hardest time. In accordance with the Assembly's demands, it has to bring about certain solutions to the maps, new territories for Bosnia-Herzegovina. We must find a solution to the issue of an outlet to the sea and strengthen the guarantee for the return of refugees, said Pejanovic, and stressed that the delegation had a special assignment to secure the UN Security Council, NATO, and the world powers' guarantees for the implementation of the agreement that is reached.

[Words indistinct] in this round of the talks, with a greater engagement on the part of the international community, which will lead to an accord and, finally, to the adoption of a lasting solution. At the moment, everyone fears the war. The people fear further suffering, the winter, and starvation. The political structures are afraid of the direction the war might take, while the international community's patience and support are ebbing. The lords of war are tired, and they have finally realized that new [word indistinct] regions cannot create a new history. Every war comes to an end, said Pejanovic, and added that no matter how long it will last, it will have to end in an agreement between those who have waged it. The war has shown that there is neither a victorious nor a defeated side, but that there is a staggering amount of casualties. Instead of war and force, agreements must [words indistinct] people who are willing and who want this. The majority of the common people of Bosnia-Herzegovina are for peace, concluded Pejanovic.

## Izetbegovic Warned Against Unrealistic Expectations

*LD3108083693 Belgrade TANJUG in English 0758 GMT 31 Aug 93*

[Text] Belgrade, Aug 31 (TANJUG)—A UN official has cautioned Bosnian Moslem leader Alija Izetbegovic against demanding any radical changes in the peace package for war-torn Bosnia-Herzegovina negotiated at Geneva on August 20. The ASSOCIATED PRESS quotes the unnamed official as saying on Monday that Izetbegovic should not expect substantial changes in the plan, since it already included four out of five concessions demanded by the Moslems in the previous rounds of the Geneva talks.

The official said that neither the concessions, nor the package would be on offer forever. He explained that the only Moslem demand that had not been met was for a territorial link, and not just a corridor, between their new state and the enclaves of Zepa and Srebrenica in the east.

The official said that the Geneva negotiators, who are due to reconvene on Tuesday, were fully aware of the dangers of busting open the package, and said that the coming days would decide whether peace would really be given a chance or the conflict would continue and escalate.

At special sessions on the weekend, the Bosnian Serb and Croat parliaments endorsed and the Moslem parliament rejected (pending further talks) the package, which should end the 17-month-old war and organise Bosnia-Herzegovina as a union of three ethnic states.

### Karadzic Rules Out Further Negotiations on Territory

*AU3008210793 Belgrade RTB Television Network in Serbo-Croatian 2020 GMT 30 Aug 93*

[Statement by Bosnian Serb leader Radovan Karadzic "prior" to his departure from Pale to Geneva—recorded; from the Bosnian Serb Television weekly newscast]

[Text] I think that our position is quite good, very good. We have been working a long time on improving this project with the Croats and the Muslims in direct talks, face to face. We have arrived at a compromising solution that is painful for the Serbs, a solution that struggled to get through the assembly. Yes, it did receive a two-thirds majority, but some regions have to be solved later whose fate we must decide thereafter.

Our position in this respect is very strong, as is that of the Croats. Regarding the Muslim side, we are allowing for the possibility, after the signing, on the basis of the goodwill, the free will of the two or three sides, to exchange some territories. We are interested in Kupres, Srbobran [Donji Vakuf], Ozren, and the Neretva Valley. Such exchanges can take place, but only after the signing of the plan and on the basis of an agreement of the three sovereign republics. No bargaining can take place before that. The negotiations are simply over.

### Stoltenberg Optimistic Peace Plan Can Be Enforced

*LD3008132793 Belgrade TANJUG in English 1223 GMT 30 Aug 93*

["Pool" item]

[Text] Belgrade, Aug 30 (TANJUG)—U.N. mediator on former Yugoslavia Thorvald Stoltenberg said on Monday the international community would be able enforce the peace plan for war-torn Bosnia-Herzegovina, if the plan was accepted by the three warring Muslims, Serbs and Croats.

Meeting the press in Geneva, where talks on peace for Bosnia are due to resume on Tuesday, Stoltenberg described as encouraging the chance of mustering troops of sufficient size to enforce the plan, the AGENCE FRANCE PRESS said.

The Norwegian diplomat estimates that it would take some 40,000 peacekeepers to monitor the enforcement of the plan, which envisages the organisation of Bosnia-Herzegovina as a union of three ethnic mini-states.

Another estimate, according to which the operation would require 50,000 peacekeepers, had called in question the ability of NATO and the United Nations to mount an operation of monitoring the application of the peace agreement. Stoltenberg told reporters this was undoubtably a very difficult job, but it would be done properly.

The matter will be discussed on Wednesday in Geneva by U.N. Secretary-General Butrus Butrus-Ghali and NATO Secretary-General Manfred Woerner.

Stoltenberg refused to forecast the fate of the peace plan, which he brokered on August 20 together with his E.C. opposite number Lord Owen.

The talks were to be resumed on Monday afternoon, but have been postponed for Tuesday, as the Muslim delegation will not be in Geneva on time.

### Muslims Continue To Violate Cease-Fire

*LD3008170593 Belgrade TANJUG in English 1653 GMT 30 Aug 93*

[Text] Belgrade, Aug 30 (TANJUG)—Bosnian Moslems on Monday continued violating the latest ceasefire in the war-ravaged former Yugoslav republic of Bosnia-Herzegoivna which came into effect on July 30.

Bosnian Serb military sources report Moslem mortar shelling of Sarajevo and continued sniper impacts on Serb quarters of the city.

The Bosnian Serb army is duly respecting the ceasefire, the sources say.

They add that Moslem troops attacked Serb positions in the areas of Doboj, Gradacac, Orasje, Brcko and Maglaj in northern Bosnia, Srbobran (formerly Donji Vakuf), Olovo and Kladanj in central Bosnia, Mt Majevica in eastern Bosnia, and Stolac and Capljina in Herzegovina.

### Muslims Attack Serb Positions Near Foca, Cajnice

*LD3108104293 Belgrade TANJUG Domestic Service in Serbo-Croatian 0912 GMT 31 Aug 93*

[Text] Trebinje, 31 Aug (TANJUG)—Since last night Muslim forces have been launching powerful attacks on the positions of Serb fighters in peripheral parts of the Foca and Cajnice municipalities [southeast Bosnia-Herzegovina]. In this fighting one member of the [Serb] Herzegovina Corps was killed and two wounded, it was announced at the press center in Trebinje today.

The heaviest fighting, last night and this morning, was waged in the regions of Carevo Guvno, Medena Glavica, and Zidine [near Gorazde], where all available types of weapons were used. The forces of the so-called army of Bosnia-Herzegovina also made attempts on several occasions, it was announced, to infiltrate sabotage-terrorist groups behind the lines of the Serb fighters in this sector of the front, but all these were noticed in time, smashed when they came under heavy fire, and forced to flee.

The Herzegovina Corps Headquarters today refuted allegations made on Muslim radio of an attack on

Gorazde. It is asserted that Muslim formations, for the dirtiest propaganda purposes ahead of the talks in Geneva, themselves opened mortar and artillery fire on Gorazde in order to accuse the Serbs of doing this.

The Herzegovina Corps Headquarters announced that Serb fighters did not fire a single type of weapon at Gorazde and nor did they have any reason to do this. There was no reason for them to do this, especially as the Serb side has accepted the Geneva peace package.

On the Trebinje sector of the Herzegovina battlefield regular forces of the Croatian Army fired light weapons, antiaircraft guns and mortars at villages in Trebinje forest and Popovo Polje, and especially in the general area of the village of Gojsina, where significant material damage was caused.

## Muslim, Croat Battle Continuing in Mostar

### Heavy Croat Shelling Reported

*AU3108105793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 31 Aug 93*

["Report from the Mostar Press Center"]

[Text] Shortly before 0800 [0600 GMT] this morning, Mostar was suddenly attacked with all kinds of artillery. The very center of the city, on both banks of the [Neretva] river, was pounded with several hundred howitzer shells from the positions of the Croatian Defense Council and the Croatian Army (?in Celici). Army of Bosnia-Herzegovina positions and civilians areas were targeted in particular. Several civilians were wounded either slightly or seriously. Substantial damage was inflicted on residential buildings and other property.

The command of the 41st Motorized (?blue) Brigade, in whose zone of responsibility these arrogant criminal attacks took place, reported that all lines of defense are (?fairly) stable and that they are being defended with high morale by members of the brigade. A [word indistinct] warehouse in Santiceva Street was considerably damaged by howitzer shells.

The fighters of the Croatian Defense Council and the Croatian Army also tried to breach the defenders' lines with infantry, but were (?repelled) and pushed back to their initial positions.

As we are reporting, the town is still being (?attacked) from the positions of the criminals and extremists of the Croatian Defense Council and the Croatian Army. The command is warning all citizens to remain in shelters until further notice because new shelling of civilians areas cannot be ruled out.

### Muslim Civilians Targeted

*AU3008150193*

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1300 GMT on 30 August carries in its regular 34-minute newscast two reports updating the fighting in the Republic.

The studio announcer reads a report by correspondent Atif Agic from Gornji Vakuf and says that "the joint forces of the Croatian Defense Council [HVO] and the Croatian Army continue to pound the demarcation lines. However, the attacks are somewhat less intense than in recent days. In the course of the morning, around 50 shells landed on the town center. Fortunately, there were no casualties."

An unidentified correspondent reports from Mostar on a poor line and says that "the cease-fire is not holding in Mostar. The extremists of the HVO and the Croatian Army are continuing their sporadic but fierce artillery strikes against the positions of the [words indistinct] Corps but also against civilian settlements." He says that "the situation was the gravest in the central part of the city on the right bank of the river, where at least 60 mortar shell detonations were registered yesterday. [Words indistinct] the Serbian aggressor joined in. He shelled the area of (?Hlacici) with 15 tank grenades, 12 mortar shells, [words indistinct] from his stronghold in Gradine." Further on, he adds that "towards the end of the day, in the area of [word indistinct] toward Brda, the extremists of the HVO and the Croatian Army fired a small arms' barrage at approximately 900 Muslims."

### Muslims Holding Spanish Troops

*AU3008130493 Paris AFP in English 1244 GMT 30 Aug 93*

[Text] Zagreb, Aug 30 (AFP)—Moslem soldiers at Mostar in southern Bosnia-Herzegovina were still holding 52 Spanish troops of the UN Protection Force on Monday, including their battalion commander Colonel Angel Morales, a Spanish spokesman said.

Contacted by telephone at the Croatian seaport of Split, Sergeant Rafael Saenz de Tejada said nothing had changed since Sunday evening.

The Spaniards were supplied with drinking water and a satellite telephone link for what looked like being a long wait, the spokesman said.

"Informal" negotiations were under way in the Bosnian capital Sarajevo between Moslem officials and UNPROFOR, he added.

The Spaniards, with their 12 armoured vehicles which escorted a 200-tonnes food convoy into Mostar last week, are trapped in the Moslem eastern part of town.

First they were surrounded last Thursday by demonstrators who blocked the roads with trucks, saying they feared renewed Croatian shelling if the convoy left.

The 19 trucks and their civilian crews were let out on Saturday, and on Sunday Moslem soldiers took up positions to stop the Spaniards from leaving too.

### Muslim Attack Reported

*LD3108094393 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 31 Aug 93*

[Text] Since this morning an artillery and infantry battle has been waged in Mostar. It began with a Muslim army infantry breakthrough on the city's frontline. Artillery of the Croatian Defense Council [HVO] has been responding powerfully, HVO military sources announced.

This morning an infantry attack by the Muslim army on the village of Rankovici near Novi Travnik was repelled. Muslim artillery is attacking the village of (?Rostovo).

### Air Drops Over Mostar, Maglaj

*LD3108082293 Berlin DDP in German 0232 GMT 31 Aug 93*

[Excerpt] Frankfurt/Main (DDP)—Under UN mandate, six U.S. Hercules as well as one German and one French Transall aircraft last night dropped about 55 metric tons of foodstuffs over the regions of Mostar and Maglaj. The needy population of eastern Bosnia-Herzegovina has thus far received 7,050 tons of foodstuffs and 149.3 tons of medicines in all from the air in the 150 air-drop missions of the international squadron, the press office of the Frankfurt Rhine-Main airbase said this morning. Of this amount the crew of the German Transall, which has made 113 flights to date, accounts for 621 tons. [passage omitted]

### B-H Defense Ministry Official Comments

*AU3008163293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 30 Aug 93*

[Text] Last week, a delegation of the Bosnia-Herzegovina Government visited the region of Herzegovina and Mostar County. Dzevad Djiho reports:

[Djiho] Omer Basic, undersecretary in the Bosnia-Herzegovina Defense Ministry, led the government delegation that recently visited Herzegovina and Mostar. Mr. Basic, the situation in Mostar is critical. What are your impressions [words indistinct]?

[Basic] As you yourself said, at one of the last government meetings, we made a decision to dispatch a government working group to the Neretva River valley [words indistinct] for overcoming problems and to then report back to the government—that is, to the Presidency of Bosnia-Herzegovina. As far as Mostar is concerned, it must be said that it has been completely blocked for more than 120 days. There is no water, no electricity, no food, no medicine, and no fuel. There is not a single building that has not been shelled. Seventy percent of all homes are not fit to live in.

The area under the control of the Bosnia-Herzegovina Army now hosts over 55,000 people, 35,000 of which are refugees from the Gacko, Nevesinje, [name indistinct], Trebinje, Ljubinje, (?Pejac), (?Gradina), and Ljubusko municipalities. The everyday expulsion of the remaining Muslim population from these areas continues. Over 18,000 people are detained in prisons and concentration camps, aged 16 to 70. The largest concentration camps are situated at the Mostar heliport, (?Prepelj), Capljina, (?Stolac), Ljubusko, [name indistinct], Grude, and Listica.

[Djiho] Have (?some of them) been taken to Croatia?

[Basic] [Words indistinct] a great number of experts, particularly (?doctors), engineers, and other highly qualified individuals. Now the extremist wing of the Croatian Defense Council [HVO] is claiming that everyone who can obtain a letter of guarantee can leave prison and the Republic of Bosnia-Herzegovina.

There is no need for us to comment on all this. The remaining population is mostly comprised of children, women, the elderly, and the sick and exhausted. The health situation is critical. An epidemic of infectious diseases is spreading—diseases like mange, hepatitis, dysentery, and enterocolitis. Generally, [the population] is undernourished, which causes the immune system to become weaker. In conditions of such a blockade and general situation, a common [words indistinct] can be fatal. Children are already dying and there are no basic foodstuffs or medicines.

A complete media blockade of these areas has been imposed. Despite this tragic situation—which I have briefly expounded on—the morale of the people is extremely high [words indistinct]. (?They) will fight to the last for freedom and [words indistinct] of the Republic of Bosnia-Herzegovina. I want to stress the message of the people fighting in the ranks of the Bosnia-Herzegovina Army, which says that there is no force that can defeat the struggle for our freedom and republic.

[Djiho] What will be the concrete measures that you will propose to the government as necessary for helping Mostar?

[Basic] At the next session of the Bosnia-Herzegovina Government, this government delegation will work on immediately mobilizing—on all levels—[words indistinct] to have UNPROFOR immediately enter the city and carry out their mission, which has been assigned them by the United Nations within the framework of their mandate. We will request that the EC observers' missions immediately go back to the city, that a logistics base of the UN High Commissioner for Refugees is established in Mostar. All conditions for this exist. Transportation conditions, warehouses, (?33,000) square meters of them with corresponding [word indistinct].

We will also request that the Red Cross and other humanitarian organizations be immediately allowed into the city. The first and foremost task is to secure the arrival of a convoy of food, medicine, and fuel, via any corridor and in any way possible. In this case, [word indistinct] is measured in hours rather than days.

[Djiho] Thank you.

### HVO Reports Muslim Attacks on Zaselje, Zabrdje

*LD3008183193 Zagreb HTV Television in Serbo-Croatian 1730 GMT 30 Aug 93*

[Text] We have just received a statement issued by the command of the HVO [Croatian Defense Council] central Bosnia operational zone in Vitez which says that at 1600 Muslim mojahedin units launched a fierce infantry and artillery attack on the Vitez area. The village of Zaselje is under attack from the direction of Duboko and Cakici and the village of Zabrdje is under attack from the direction of Poljane. The aim of the attack is to destroy the HVO and the Croat people. We demand that all participants and international teams at the Geneva negotiations be informed about this, the statement from the HVO central Bosnia operational zone says.

### HVO Expels 2,000 Civilians From Prozor, Burns Villages

*AU3008213193*

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 30 August carries in its regular 33-minute newscast the following reports on the fighting in the Republic.

Reporting from the Zvornik free territory, Nijaz Banjanovic says that today "the aggressor continued to target civilian buildings in Sapna and Zaseok, which were shelled from a 122-mm howitzer from Kozluk and 120-mm mortars from Boskovici. An antiaircraft machine gun and snipers from Pecina are firing on Sapna, Kobilici, and Kraljevici. There are frequent small arms' provocations along the defense lines."

The Brcko correspondent, Hamiz Deronjic, says that "the aggressor's artillery strikes were somewhat more intense around 0930 [0730 GMT] when 82-mm mortars pounded the region of Bajici. The enemy is using a Praga against the central part of the defense, which the aggressor has been shelling with portable rocket launchers and Tromblon mortars since this afternoon. Throughout the day, the eastern defense positions on the Omerbegovaca-Vranovaca route have been shelled by the enemy with Broving and Bofors from his stronghold in Cadjavca."

Salih Brkic reports from Tuzla and says that "the chetniks from Vijes were the only ones active today. They shelled Banovici from portable rocket launchers and small arms. It was somewhat livelier around Kalesija, but only in the morning hours. The chetniks used small arms and antiaircraft machine guns to shell Seget and [word indistinct]."

Amira Salibasic reports from Olovo and says that "in the course of the morning, the town center was shelled sporadically from the region Brda. The enemy used a tank for this. There were no casualties. There were some small arms' provocations along the defense lines in the region of Bacvice and Susevo. The defense lines are stable."

Enes Musovic reports from Gorazde and says that "the chetniks continued shelling Ogleceva, Ilovaca, Borovac, Hrenovica, Datelj, Surovo, and Gojcevic. For the time, being the aggressor is counting on the blockade to completely destroy Gorazde. The citizens of Gorazde have not had any electricity for a full 16 months. The same applies to water, telephones, and to all other communications. There is no clothing and no shoes, particularly for schoolchildren."

The studio announcer cites a report by the Bosnia-Herzegovina Army Press Center and says that "the extremist units of the Croatian Defense Council [HVO] have expelled 2,000 civilians from the Prozor municipality. The expelled persons report that the villages of Toljanica, Lizoperci, Heldovi, Klek, Skolbucani, Orasac, and Visnja have been burned to the ground."

The studio announcer goes on to cite the report by the 1st Corps Information Service, which says that "in the course of the day, there were some small arms' provocations along the defense lines. The enemy used a Praga to pound Sjenicka Kosa from Kromolj. The aggressor's mortars were active in the afternoon hours. Several shells landed on Golo Brdo and Peak No. 830. Late in the afternoon, an enemy sniper was active in Dobrinja, while movements of the aggressor's vehicles were sighted on the Lukavica-Nedzarici route."

Correspondent Nedim Tukic reports from the 1st Corps Information Service on the situation on Mt. Igman. He says that "today was the same as yesterday. The Serbo-Montenegrin aggressor used Praga and antiaircraft machine guns against our positions on Ajisnik. The Bosnia-Herzegovina Army troops did not respond to these provocations. At the meeting with the UN observers' team, the command of the Bosnia-Herzegovina Army Igman unit was informed that a new checkpoint has been established between the Bosnia-Herzegovina Army units and the Serbo-Montenegrin aggressor on Brezovaca. However, that did not stop the aggressor from using a Praga over the UN personnel carriers to target the Bosnia-Herzegovina Army positions on Ajisnik. The Bosnia-Herzegovina Army reconnaissance units report that the chetniks are preparing a new offensive from the region of Golo Brdo, Brezovaca, and Obeljak. Their objective is to take Karaula."

### Croat Refugees Evacuated From Vares

*LD3008164993 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 30 Aug 93*

[Text] Around 2,800 refugees from Kakanj, who have been accommodated in Vares over the past month and a half, arrived this afternoon in Livno on their way to Capljina, where everything has been organized for their reception.

According to Nedeljko Herceg, secretary general of the office for refugees and expelled persons of the Croat republic of Herceg-Bosna, the office has decided to evacuate the refugees from Vares because of the appalling living conditions there. Vares is under siege by Muslim and Serb forces, which renders the passage of international humanitarian organizations extremely difficult.

Around 15,000 refugees, 12,000 of them from Kakanj, are languishing under dismal conditions in Vares. As Nedeljko Herceg said, an average of 200 Croats expelled from Zenica and neighbouring municipalities are arriving in Vares each day.

Living conditions in Vares were difficult even before the outbreak of the war, and they are almost intolerable now. Women, children, and the elderly, many of whom are sick, are particularly affected, which is why the office for refugees and expelled persons of the Croat republic of Herceg-Bosna has decided to evacuate the most afflicted to Capljina, Herceg declared, and added there are currently 7,000 Croats expelled from Bosnia in Capljina.

### Bishop Presents Croat Casualty, Exile Figures

*AU3108072493 Paris AFP in English 0015 GMT 31 Aug 93*

[Text] Milan, Aug 31 (AFP)—Hundreds of thousands of Croat Catholics have been forced to flee their homes in Bosnia due to so-called ethnic cleansing, the archbishop of Sarajevo said in a report to be published here Tuesday.

Archbishop Vinko Pulic, writing in the Catholic journal AVVENIRE, said that of 528,492 Croat Catholics in Bosnia before the start of the war, 50,000 had been killed and a similar number had disappeared.

He said 155,000 had had to flee their homes because of ethnic cleansing by Serbian forces since April 1992, while 141,000 had been forced out by Bosnian Moslems.

The archbishop's report said the 900-year-old Catholic community in Bosnia faced "extinction" if the ethnic cleansing was not stopped.

The prelate said Moslem forces had carried out massacres, deportations and rapes on Catholics in the towns of Doljani, Travnik, Bugojno, Kakanj, Zepce, and Kiseljak.

"Of the 144 parishes in Bosnia, 56 are now occupied by Serbs, 34 by Moslems, and the people are fleeing into the 54 which remain free because they are being continually attacked," the report said.

"The world is worrying about Sarajevo, but not about other areas, in particular those occupied by Moslems: even though men are living there," the report concluded.

### UNHCR Reports on Difficulties for Aid Convoys

*LD3008164493 Belgrade TANJUG in English 1624 GMT 30 Aug 93*

[Text] Belgrade, Aug 30 (TANJUG)—Humanitarian aid convoys for localities in the war-torn Bosnia-Herzegovina reach their destinations with great difficulty, their trucks held by the Croat and Moslem authorities, Spokesman for the High Commissioner for Refugees (UNHCR) Peter Jansen told reporters in Sarajevo on Monday.

REUTERS reported that Jansen emphasized the fact that hundreds of tonnes of food, medicine and other material were being held in the Croatian town of Metkovic, while no more than five convoys with 323 tonnes of aid were on the roads of Bosnia-Herzegovina.

Sections of Bosnia-Herzegovina, through which trunk roads run, have been plagued by Moslem-Croat fighting.

Jansen said two convoys on Monday were allowed to proceed to the central Bosnian Moslem stronghold of Zenica. He added that most of the U.N. convoys have not received permission to go on as yet.

### Fresh Relief Supplies for Muslim Enclaves Arrive

*LD3008124893 Belgrade TANJUG in English 1203 GMT 30 Aug 93*

[Text] Zvornik, Aug 30 (TANJUG)—Convoys of the U.N. High Commissioner for Refugees (UNHCR), carrying 160 tonnes of relief aid to the Moslem enclaves in war-torn Bosnia-Herzegovina, on Monday passed through Serb-held Zvornik in eastern Bosnia. 15 trucks are carrying 90 tonnes of flour for Srebrenica in the east, and another 7 trucks are carrying 70 tonnes of flour for Tuzla in the northeast.

The Bosnian Serb Army Command at Zvornik said that every effort had again been made to guarantee safe passage to the relief convoys through the Bosnian Serb republic.

Bosnia's Moslems, Serbs and Croats have been fighting a bitter civil war for 17 months.

### Van den Broek Criticizes Owen's Approach

*BR3008134893 Rotterdam NRC HANDELSBLAD in Dutch 28 Aug 93 pp 1, 5*

[Article by Peter Michielsen: "EC Commissioner Van den Broek Says Owen Played Into Hands of Bosnian Serbs"]

[Text] The Hague, 28 August—According to EC Commissioner for Foreign Relations Hans Van den Broek, Lord David Owen, the European Community's mediator in the Yugoslav crisis, played into the hands of the Serbian aggressors in Bosnia by "making disqualifying comments regarding military intervention."

"In interviews and public statements he voiced doubts as to the consensus of the Twelve regarding the pursuit of options involving the use of force," claimed Van den Broek, who believes that, as a result, the peace talks in Geneva were overshadowed by "pacifist superstition." It was a "strategy of capitulation," which "endorsed violence." Those who "invoke the law of the jungle, i.e., the Serbs, assumed that they had to make no concessions unless forced to do so." This, claims Van den Broek, is one of the conclusions to emerge from the evacuation of the strategic Mount Igman overlooking Sarajevo, with which the Bosnian Serbs only proceeded when it became clear that NATO was prepared to launch air strikes against its positions.

Owen and his fellow negotiator Thorvald Stoltenberg (on behalf of the United Nations) visited The Hague this week. Netherlands Minister of Foreign Affairs Kooijmans had invited them so that he could voice the Netherlands' criticisms of the plan dividing Bosnia along ethnic lines. The warring factions are to decide on this plan this weekend. The Hague repudiates Owen for acting "high-handedly" and has doubts on the practicality of implementing the plan for a "Bosnian Union."

According to Van den Broek, the European Commission—the "daily executive" of the EC—also has reservations about the present result of the talks. However, that can supposedly be attributed to the limited elbow room that the EC allowed the two negotiators, Owen and Stoltenberg.

According to Van den Broek "they cannot reach beyond the limits set by the Twelve. If you ask me, Owen and Stoltenberg would have been better off asking for a more specific mandate when it came down to a credible threat of using force." That mandate was settled at a conference of European ministers held in London in July 1992, where Van den Broek represented the Netherlands in his capacity as foreign affairs minister, before leaving the country in December 1992 to join the European Commission in Brussels.

Van den Broek believes that one characteristic of the Bosnian talks is that "it is the armed struggle on the ground, rather than the negotiations themselves, that tend to dictate the results achieved." For the time being the result takes the form of a peace plan for which the European Commission can summon up little enthusiasm. "Our greatest concern is the discrepancy between the principles governing a solution formulated by the Twelve and what is actually emerging from the talks. The doubts are still there. The points on which we remain unsure will have to be discussed further."

So Van den Broek would not be surprised if the Muslims reject the plan this weekend. "I think that we can hardly expect an unconditional agreement with the plan."

Lord Owen, reminded Van den Broek, has acknowledged that the plan has weak areas. "He points out that this is the third plan to be out on paper—following the plan proposed by the Portuguese (in February 1993, ed.) and the Vance-Owen peace plan—and that on each previous occasion it had to be concluded that we were straying ever further from the principle of durable peace that was held up at the outset. In other words, things can only get worse. That approach speaks volumes, for it comprises a strategy of capitulation. My belief is that until the strategy of negotiation is changed, it will be extremely difficult to secure a lasting peace which complies with our principles."

In Van den Broek's opinion, it is logical to endorse an agreement that has been accepted by the three warring factions. "However, the question then arises as to whether or not the weakest faction only accepted it with a gun against its chest and a knife at its throat, and whether or not the resulting borders will contain a viable Bosnia-Herzegovina."

The mandate with which Lord Owen was sent to Geneva is within the limits set down at the London conference on Yugoslavia and the EC summit held in Copenhagen. Van den Broek maintains that Owen has to stick to that mandate. "The Twelve are not negotiating themselves," he said; "if he now puts documents on the table, then we must compare them with the resolutions adopted in London and Copenhagen. And subsequently, we must ask ourselves whether or not the parameters are being taken into account, and whether or not we are currently in the process of endorsing violence. Of course, there is such an endorsement—for failing to enforce a status quo ante amounts to endorsing violence. However, what is actually at stake is the extent to which there are guarantees for a viable Bosnia-Herzegovina and the political and economic survival of the Muslims. Also at stake is the extent to which we can make up for endorsing violence by means of compensation."

Here, too, Van den Broek has his doubts, especially with regard to the map drawn up by Owen and Stoltenberg: The Muslim republic within the Bosnian Union will be surrounded on all fronts by Serbs and Croats, the corridors are long and difficult to protect, and the question as to who will protect them is barely still being asked. "We will have to pull off some backbreaking acrobatics when it comes to implementing the plan. Stoltenberg cited a total of 40,000 troops, but more may well be required. That will require an enormous commitment, also because the mandate of the troops would have to be such that the agreement is not soon merely reduced to a piece of paper. There is no commitment at all on these points and I can imagine that [Bosnian President] Izetbegovic would like some clarity on this matter."

Van den Broek does not share all the points made in the Netherlands' criticism of the plan. The plan contains substantial arrangements regarding the return of refugees and there is even a resolution from the UN Security Council that makes provisions for compensation for refugees.

Van den Broek only partly agrees that the entire EC policy in the crisis in the former Yugoslavia—which has now lasted almost two years—gives the impression of desperation, a lack of inventiveness, and sometimes a lack of insight into the complexity of the problems involved. "I think that we did what we could do as far as humanitarian action is concerned. I dispute that we did not know what was going on when we began. However, I will admit that we initially underestimated the deep feelings of hatred involved in this conflict. I also admit that we operated in a politically and morally weak manner—and that is putting it mildly."

## Srpska Republic General on War Exploits

*93BA1360C Belgrade NIN in Serbo-Croatian 23 Jul 93 pp 12-14*

[Interview with Slavko Lisica, general for republic of Srpska forces, by Ljubomir Grubic; place and date not given: "Pulling Down the Pants"]

[Text] *"I stood on the bridge and, like some writer, I watched the sun go down, given over to emotions. A 19-year-old soldier stood in front of me. Suddenly he fell, soaked in blood. I saw that he had been hit by a bullet. 'I am not going to die, lieutenant colonel.' He groaned. 'No, you won't, son,' I responded, but I saw the life fading from him. He died. That was the first man whom I lost. And now I am often visited in my dreams by these great young boys.... If I could, I would erect a monument to them in every city...."*

Ratko Mladic and Slavko Lisica entered the war together. In Knin, Mladic became a colonel, and Lisica a lieutenant colonel. Through "quick and effective campaigns," Lisica took the Maslenica and Sibenik bridges. Then he fought at Kupres and near Derventa, Brod, Doboj....

Even today, stories are told about Col. Slavko Lisica. Few people know that in the meantime he has become a general.

It is said that his battalion has never budged a single meter. "I am the most offensive officer in the republic of Srpska," he says.

His slogan from the beginning of the war in Croatia is known: "Death to ustashas and war profiteers." It is said that he has barely said goodbye to the five-pointed star and that he is still very fond of it. He has been a little arrogant toward volunteers.

"My professional motto is this: the greatest possible success at the lowest possible price. Thus far, that is what I have achieved." However, recently Gen. Lisica was pulled back from the front and appointed head of the Military Training Center of the republic of Srpska in Banja Luka. He teaches tactics and training.

* * *

[Grubic] Why were you withdrawn into the background?

[Lisica] There was a disagreement between me and the commander of the Banja Luka Corps, Gen. Talic, but I would rather not... Mostly it was him or me.

[Grubic] You occupied the Maslenica bridge, which is quite a topical subject today. Croatian reporters have added the epithet "mad" to your name ever since then....

[Lisica] The first one to christen me that was Gen. Adzic when I broke through to the Maslenica bridge, when he asked his subordinates who that mad lieutenant colonel was and what was going through his head.

Anyway, after I had taken the Maslenica bridge I was ordered by the Supreme Command to return immediately. Mladic first asked for my word as an officer that I would carry out the order, and when I gave it to him, he told me to withdraw from the bridge. I pulled the tanks back 6 km, but pushed Martic and his men onto the bridge. I told him, "F— you [expletive deleted], if the bridge falls, I will silence you with tanks."

[Grubic] You have often acted on your own?

[Lisica] I have done some things on my own initiative. I recently told Gen. Zivota Panic that the leadership and command of units at that time had reached the point where I was operatively and tactically unable to correct their stupidities. I entered the outskirts of Zadar on my own initiative. I was able to stroll in so far that the ustashas were throwing down their weapons. But Tudjman wanted a cease-fire, they accepted it, and made a major strategic mistake. They should all be replaced.

[Grubic] And the Sibenik bridge?

[Lisica] This is how it was. Mladic said, Lisica, go to the bridge. Where is my army, I asked. You figure that out, he answered. OK. I raised tanks, I raised a front, and the operation began. No, no.... The people could not move from their initial positions. At the beginning, no one realized that this was a real war in which lives would be lost. In order to get them moving, I secretly agreed with our artillery officer to shell our positions and headquarters. He was astonished: How can I shell our own people? I gave the order, but if anyone was killed, then bravo. When the headquarters was finished off, I told the fighters, you see what they are doing to us! That is how I motivated them, and in two hours we covered 20 km and reached the Sibenik bridge.

[Grubic] How does a soldier feel when he achieves such an important goal?

[Lisica] I stood on the bridge and, like some writer, I watched the sun go down, given over to emotions. A 19-year-old soldier stood in front of me. Suddenly he fell, soaked in blood. I saw that he had been hit by a bullet. "I am not going to die, lieutenant colonel." He groaned. "No, you won't, son," I responded, but I saw the life fading from him. He died.... That was the first man whom I lost. And now I am often visited in my dreams by these great young boys. Whenever any of them is killed, I wonder what my life is all about and whether there is heavenly if not earthly justice. These boys do not realize how wonderful, brave, and decent they are. If I could, I would erect a monument to them in every city. You can imagine what it is like for me to take the dead ones home....

[Grubic] Are you afraid of death?

[Lisica] Lt. Col. Petrovic was walking at Velika Glava, near Kistanje. In my class, but he went over to the ZNG [Croatian National Guard Corps]. Mladic and I were on the other side. My classmate asked me through the radio hookup, Lijo, what are you doing here? It's because of you, [expletive deleted], I responded. We will fertilize this land, he said. Well, we'll just see about that. And as you see, I have not yet become the fertilizer of the thousand-year dream.

[Grubic] It is said that the five-pointed star is dear to you, that you were and remain a communist....

[Lisica] A reservist told me, I will not fight under the five-pointed star. Fine, I told him. Turn your cap inside out. Take it off, put a pot, a helmet, or washbowl on your head, or go bareheaded. The only thing is that you go. At the time, my thing was to wear the star on my brow because that was the law. Until that changed, it was not all right for me, as an officer, to violate it. Because if you do not obey one law, then you won't obey other ones either, with no end to it. They were not upset by the star, they just didn't want to fight. Moreover, what sort of army is it that has 100 different insignia? Still, when I tell these rebels, throw away the star, let's move on, they won't do it. So there is no problem there.

Before the war, I acknowledge, I was an orthodox communist, and I will not spit upon my own past like some will. Even today, if Tito were to appear, they would put red handkerchiefs and kerchiefs around their door. The malicious people who have dubbed Mladic and me some sort of military guardians of that morality are unjustified.

[Grubic] Why have you always been arrogant toward volunteers?

[Lisica] The first volunteers were sent to me in the region between Cikola and Krka by the late Gen. Vukovic. These were not fighters, but rather adventurists and the usual dregs that every war brings to the surface. Of course, all praise is due to the brave and honorable exceptions whom I certainly do not want to offend by saying this. Another thing about them is complicated. They are disorganized, irresponsible, and have never fit in with my concept of combat. You have guys who will kill a 90-year-old man just for a lamb. Seselj asked me in Doboj whether I would accept his volunteers. I told him to send them to Spain, and that it is the duty of every Serb to fight for his country.

Knowing my position, they have mostly avoided me. Still, we get some of them occasionally. They ask me to send them out for so-called "cleansing." OK, I say, there are some mine fields that you can clear out to your heart's content. No, I don't think so. They would rather clear out houses.

In short, volunteers have been a burden in my zone of responsibility, so that on one occasion I even sent in tanks to disarm them. Disorganized volunteers are regularly accompanied by war profiteers, like hyenas. Then the fighters from the front lines tell me, "General, they are seizing, raping, and stealing, how and for whom are we fighting...?"

[Grubic] There are various incredible stories circulating about you, one of them being that you stripped your own fighters who had disobeyed your orders down to the skin?

[Lisica] Yes. Our 9th Armored Battalion was shelling Livno. I was commanding the attack from both directions. I moved one mortar battery from Grahovo to a new position.... Closer to enemy lines. During the night, they went back at their own initiative. I asked them why they returned, and they said that they liked it better there. And my order? They shrugged. Then I became furious and said, anyone who does not want to fight should lay down his arm and take off his uniform. I thought that they wouldn't, that they would say, "No way," and so on. However, they started to strip down to their underpants. Then I became even more enraged and yelled, "Take off your underwear too, it's also military property." And lo and behold, the 40 of them together with their commanders stripped. Then I dismissed them to go to Grahovo naked like that.

I looked, but I couldn't believe my eyes. They went. Only one of them stayed, and he told me, "Actually, you won't strip me while I am alive." I offered him my hand.

Now imagine the end of this story. These men from Grahovo returned during the night and fired mortar rounds on my command position!? Well, gentlemen, that's not the way to neutralize Lisica, the witness to your disgrace. Lisica is a strange and dangerous animal. But it's to your credit!

[Grubic] What draws you into all this? Career considerations?

[Lisica] Many people say that I am at the head of the army because of my career. That is not true, because I have refused promotion on several occasions. There has also been pressure from individual opstinas in whose territory I waged war, saying that I should be promoted to the rank of general. I did not know that there was speculation about that; the rank of colonel was enough for me. You can have various decorations on your chest. If a soldier does not respect that, then what's the use? Whenever I say, this is Col. Lisica speaking, peace sets in among soldiers and officers. Now when I address them as general, some of them nudge each other and whisper, "Look, Lisica has a scratch."

Soldiers like to see me together with them, and I am well-aware of that. After one fierce snowstorm, the 10th Division was advancing at Kupres. Lt. Col. Mile Acimov and I were in the lead. I assumed command over the central column. The fighters saw us in the front ranks and naturally followed us. And then they gained confidence. The snow that day was falling horizontally in Kupres. Horrible weather. Acimov's boys cleared off the machinery, and the younger tankers were also ready. Let's go! When we ordered them to the barracks, a real scene of chaos occurred. They rushed out of the shelters and began to run uphill. They were black, with the white snow background. You could hit them with a slingshot. God only knows how many of them were killed that day, and God help them. But in Kupres there were Asians, blacks, Lithuanians, Poles....

[Grubic] You have also clashed with several legends of this war. Over what?

[Lisica] I had an unpleasant experience with the late Veljko Milankovic, the commander of the Wolves from Vucjak. Similarly with Narandzic from Okucane, whom I consider, with full responsibility, to be a confirmed war profiteer. He plundered who knows how much foreign exchange on the battlefield, and now he is playing the businessman with you over in Serbia. I arrested him in the middle of the battle for Bijelo Brdo when he abandoned his fighters and went to Prnjavor to spend some time with some girls. At the time, 15 of his men were killed. The next day, Milankovic came and threatened to fire multiple missile launchers at me if I did not release his companion. He added that he would turn the Belgrade press against me and that all the rivers of Bosnia would not get me clean. Somewhere along the way he arrested my deputy Djurkic. I told him to release Djurkic immediately and also gave him the command coordinates so that he would not have any problem targeting me. If he missed me, I promised that I would impale him alive. I knew that he would miss. Then I informed Gen. Talic that I was moving the front toward Milankovic's village and that I would level it to the ground if he did not release my deputy. Believe me, if he had not done so I would have razed that town. I ordered him to get lost and said that I did not want to see that fortune hunter ever again in my zone of responsibility.

Later, Milankovic was killed and received the "Obilic" medal. I was not at his funeral and I am sorry that he died, but nevertheless I must tell the truth about him. Before the war as well, Milankovic was a criminal who gathered dubious people and adventurers around him. The only thing behind his self-promotion in this war was plunder, nothing else.

[Grubic] You were following your own will when you captured Brod....

[Lisica] No one ever ordered me to go to Brod. I had great information, but something did not check out. Then I committed a blunder, a nightmare. I ordered a departure from Bijelo Brdo, I was not interested in Derventa, I drew my strength from Kostres. I withdrew tanks and infantry from Donje Kolibe, creating a disturbance on my own front. When the situation was no longer clear to anyone, I called Maj. (now Lt. Col.) Mika Skoric and told him, "Bakali—that is what I call him—tomorrow we are going to Brod." Everyone at headquarters looked at each other with surprise. Bakali started to equivocate, but I raised my voice and threatened to cut his head off. Carry out the mission or commit suicide. If you do not, then don't worry, I will pass judgment on you. Head for the refinery, and we will meet up at such and such intersection!

Then Bakali said, "I have really had enough of this Lisica, I am going even if it kills me. God help us." He got in the first tank and set out. In Brod he came across two Albanian skullcaps. He put one of them on his head and reported to me that the mission was complete.

[Grubic] Even Brod was not enough for you; you wanted to go further. You are one of those generals whom politicians do not admire.

[Lisica] As soon as we had captured Brod, I sent a telegram to Mladic proposing that we shift the front. I asked that the Bijeljina Corps and the forces in the corridor be placed under my command. I wanted to take advantage of that moment and that advantage to widen the corridor in the direction of Majevica-Tuzla. The attack by auxiliary forces would go along the Bosna River valley, through Tesanj, Novi Seher, and Zepce. My proposal was not accepted. Why, I do not know. Perhaps because someone felt that I would become too strong and threaten someone's position. Thus, the corridor was not widened and I think that this was one of the biggest mistakes. After that I was appointed commander of the Doboj operative group, and I reported what I have told you to Mr. Radovan Karadzic.

[Grubic] Still, it is good for soldiers to be under control. Every war is followed by peace, life, desires, changes of opinion, reconciliation....

[Lisica] Regardless of what anyone says, I believe that the Muslims are not the losers. Simply put, they have gotten what they deserve and ended up where they ought to be. For the umpteenth time they have betrayed the Serb nation, which is witness to their fickle nature. They tried once again to get rid of that inconvenient witness together with the Croats. The Muslims, the "flower of Croatia," no longer have an intoxicating smell.

[Grubic] And what do you have to say about the "wartime brotherhood" with the Croats?

[Lisica] Lozancic, the commander of the HVO [Croat Defense Council] operative group in Zepce, asked me to accept his refugees. I told him, OK, we will, we are decent people and will accept your women and children, but I want from you two "flowers of Croatia" on every balcony. Then he started to mumble something about Christian compassion, the cross, and so on.... Well, if you are so compassionate, why did you kill nearly 20 people, women and children, in Brod alone? Your hate and fickleness will ultimately be your ruin, I told him.

I do not believe the Croats. When they are weak, they will promise everything; the next day, the will kill you. When our tanks entered Novi Seher, the Croat women put white towels and tablecloths under the treads. There you have it....

[Grubic] Is the war coming to an end and in your opinion are all the military missions complete?

[Lisica] I think that the war is coming to an end. We must completely defeat both the HVO and the "green berets" militarily. I have always told my fighters that they must learn to be rational so that for the next 100 years they do not think about picking up even an air rifle. When we do that, we will lay down our weapons, remove our knapsacks, and take off our combat boots.

## Proposals for Tuzla Joining Yugoslavia Supported

*93BA1377B Belgrade POLITIKA in Serbo-Croatian 11 Aug 93 p 8*

[Article by TANJUG: "Support for Proposals for Annexation of Tuzla to Yugoslavia"]

[Text] The Tuzla Association of Belgrade, whose members are citizens and refugees from Tuzla—Muslims, Serbs, and Croats, yesterday sent an appeal advocating a peaceful resolution of the situation in that city in the northeast of Bosnia.

In the appeal delivered to TANJUG, the association advocates resumption of the negotiations that recently occurred between representatives of the 1st Krajina Corps and Muslim intellectuals from Tuzla. At the same time, support is given to those who back in December of last year proposed that Tuzla be annexed to Yugoslavia.

The association recalls that this mining and industrial city has always been turned toward Serbia, Yugoslavia, and beyond them to Europe and the world.

However, on the basis of what is being prepared, people from Tuzla in Belgrade say, Tuzla, completely isolated in some Islamic enclave, "will become a blind alley of the Balkans and Europe."

"No corridor to the Sava and the sea of any future Islamic republic, should it come about, can replace the economic ties and communications Tuzla has had for decades with Europe and the world, such as existed in the former Yugoslavia," the appeal concludes, adding that negotiations with the Serbs are still possible.

## Banja Luka Official on Future Problems

*93BA1360D Belgrade NIN in Serbo-Croatian 23 Jul 93 p 15*

[Article by Dr. Miodrag Zivadinovic, chairman of the Liberal Party in Banja Luka: "Serb-Style World of Perpetual Darkness"]

[Text] *The new states will have to pay so much for military security that it is quite possible that we will resemble the Albania of Enver Hoxha, and not only in terms of bunkers and watchtowers.*

All indications are that a political solution to the Bosnia-Herzegovina crisis is in sight. However, this is no cause for celebration; the concept of mini-states in a confederation that would be called Bosnia-Herzegovina brings with it enormous problems and major blockades to the establishment of normal life.

First, these little states have emerged on the basis of the ideology of blood and land, and thus the ideas of the national socialists, in addition to no small number of elements that are characteristic of a religious state. Like it or not, these state entities by necessity have a fascist power structure and are capable only of self-isolation. Second, self-isolation by necessity reduces all dimensions of life, from the economy to education, culture, science.... Third, for a long time after the end of the war, we will see enormous influence wielded by the military element. Everyone is in a hostile encirclement by everyone else, and major materiel and personnel investments in the military and the entire security system will continue to be necessary. That is expensive, of course, and it is quite possible that we will resemble Albania during the time of Enver Hoxha, and not only in terms of bunkers and watchtowers.

It is no wonder that the current authorities have no response to the question of what to do after the war. The leadership of the republic of Srpska still lacks a concept for the economic organization of society. The responsible people's ideas do not go any further than the notion that this mini-state should be a free-trade zone, a sort of duty-free shop. In education, culture, and science, they continue to reduce everything euphorically to the narrow national component. All that we actually have left is material and human calamity—a Serb-style world of perpetual darkness.

It could seem that there is a chance that this somber present will be surmounted and that an even more somber future will be avoided. The idea of unifying all Serb lands has been circulating for some time now. What are the chances of this? The ethnic cleansing of territory in Bosnia-Herzegovina is practically complete. Historians say that no war in the Balkans has resulted in so much moving around of people.

But I am personally convinced that Slobodan Milosevic, because of Serbia's—or rather the FRY's—international position, will not move to achieve the grand idea of "all

Serbs in one state" for some time. On the other hand, the unification of Knin and Pale has also been postponed, and actually the big question is how the propagators and realizers of the idea in question will bridge the vacuum that will certainly not be short in duration. Perhaps there will be a continuation of the endless and futile negotiations in European metropolises, and perhaps there will even be a continuation of the war, because the advocates of this last option in the "structures" of the republic of Srpska should not be underestimated. Naturally, no one asks those who are dying at the front and their families.

Most of all, those who have grown rich from this war and from all the suffering of the people by smuggling arms, ammunition, oil, and everything else necessary both to kill people and to sustain them are wondering. All indications are that we will have to wait for moves by the "fathers of war" and somehow cope with these times. In the intermezzo, the international community will intervene in this tragic region and introduce the idea of a new Yugoslavia, which will provoke even greater chaos in the heads of politicians in power, who are nationalists by profession but amateurs in terms of political know-how and skill.

In this same intermezzo, we expect here a resolution to the conflict (which has been smoldering for some time) between the "hard line" of Momcilo Krajisnik and the softer, relatively speaking, "democratic" option of Radovan Karadzic. Judging from experience, and based on the present times, the "hard-liners" could win out.

This same conflict has already spread to lower levels in the republic of Srpska, especially to places close to direct military operations. In Banja Luka, for example, the "hard line" in the SDS [Serbian Democratic Party] comprises a group of infantile people headed by Radoslav Brdjanin, who uses power like a toy. For now, they are having a lots of fun, but the (very) serious consequences of that fun are being endured by a people made to suffer not only by the war, but also by the nationalistic moves of the group in question. Banja Luka Mayor Predrag Radic and the "moderates" are slowly being pushed aside, they are increasingly passive and cannot help much in blocking moves and actions that verge on fascism (the destruction of religious and cultural structures, the ethnic cleansing of companies or institutions, the well-known "rationalization of housing," personnel policy based exclusively on the principle of ethnic suitability and "loyalty," war profiteering and crime, and so forth). The announced transfer of the government of the republic of Srpska to Banja Luka is supposed to improve things, but I doubt that it can do anything, because it in fact includes some of the individuals who are involved in these affairs behind the front.

How can the course of events be changed? How can political means be applied at a time when no one is engaged in politics? One well-intentioned citizen told me, "Zivanovic [as published], you cannot do anything—you do not have your own armed formations!"

Emerging from the vicious circle of Bosnia-Herzegovina will be difficult and painstaking. There is a societal mechanism at work that was put in place by weapons and that can function only based on the principle of force after the war is over. Many people say that the solution is the departure from the political (and military) scene of those who came before the war. I would not agree: Aside from Slobodan Milosevic, because his position in Serbia is indeed somewhat special, the departure of Tudjman, Izetbegovic, Karadzic, or Boban would not change much. It is necessary to eliminate the mechanism that produced the war and which—as time goes by—is already producing its own people and more or less building up a ethnic mental framework. Thus, how do we change the mechanism itself? Since I do not know the answer, I will use a witticism: There can only be a political answer to what is a political question par excellence. And that will come only when the war is really over and the time for some sort of politics has actually arrived.

## Serbs Attack Ogulin; UN 'Inefficient'

*LD3008141993 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 30 Aug 93*

[Report by correspondent Lovorko Magdic from Ogulin]

[Text] At 1240 the Ogulin battlefield reactivated. The enemy, completely unprovoked, launched an open attack on the positions of the Croatian Army and civilian targets. The enemy has so far used all weapons at its disposal: tanks, mortar, and multiple rocket launchers. More than 100 shells were fired from the direction of (?Rakic Brdo), (?Borac), and (?Latini) on the positions of the Croatian Army and the villages of (?Pavlici), (?Cerovnik), (?Poljaci), (?Radosic), (?Pitomi Javor), and Modrus.

Shortly after 1400 a general danger alert for the municipality of Josipdol was sounded as several shells also hit that town. UN Protection Force observers were contacted urgently so that further escalation of the enemy attacks can be prevented and tensions relaxed, but due to their inefficient action the Croatian Army was compelled to retaliate. According to initial unofficial reports, there have been no casualties among civilians and soldiers.

Traffic via the Karlovac-Josipdol-Senj road has been suspended until further notice.

## Tudjman, Boban Go To Geneva; View Next Round of Talks

*LD3108081493 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 31 Aug 93*

[By correspondent Andjelko Perincic]

[Text] Croatian President Franjo Tudjman left for Geneva this morning to attend yet another continuation of the peace talks on Bosnia-Herzegovina. Prior to his departure from Zagreb airport, he assessed the Croatian position and replied to the question whether Croatia has any new answers in this round of talks.

[Begin Tudjman recording] No, we have not got any new proposals apart from the fact that, as far as I know, representatives of the Croat Republic of Herzeg-Bosna, in talks after the signing will set out proposals for improving justified Croatian demands. Of course, Croats will not allow any discussion about the Muslim demand to have an outlet to the sea on Croatian territory, etc. [end recording]

President Tudjman also commented on the Muslim position.

[Begin Tudjman recording] Well, it is difficult to foresee. As you say, it is the last round and I hope indeed that this will be the last round because everyone is dissatisfied, apart from the Serbs who have the least reasons for being dissatisfied, but they, too, are pretending to be dissatisfied, and I believe that the Muslims have no option but to accept [the plan] for the sake of peace. [end recording]

Mate Boban, leader of Herceg-Bosna, left Zagreb for Geneva this morning, as well.

[Begin Boban recording] I believe this offer—whether you take it or leave it—we Croats were on two occasions the first to sign [words indistinct] the last signature. [sentence as heard] If the other two sides accept [the plan] we too will accept it. If one of them fails to do this, then we are not to blame. [end recording]

## Granic Promises To Pressure Herceg-Bosna

*LD3008181593 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 30 Aug 93*

[Report by Jadranka Kosor from the Geneva Conference on Protection of War Victims]

[Text] Representatives of 140 countries, humanitarian organizations, and about 30 foreign ministers are present at the conference. Among them is the Croatian Foreign Minister Dr. Mate Granic.

In his speech about the war victims in Croatia, Dr. Granic stressed that it was important to strengthen the principles of international humanitarian law and exert pressure to ensure they are observed. Never since the end of World War II has the civilian population anywhere in the world been maltreated in such a way as during the war against Croatia and Bosnia-Herzegovina, Dr. Granic said. He also recalled the biggest refugee crisis in Europe and the huge burden taken on by Croatia.

Unfortunately, the two victims of the Serb aggression were now fighting each other in Bosnia-Herzegovina. The Muslim units in Bosnia-Herzegovina have in their mission of ethnic cleansing expelled 120,000 Croats from their homes, Dr. Mate Granic said.

Dr. Granic met representatives of Greece, Belgium, and Denmark at their request. What were they so interested in to request such an urgent meeting, we asked Dr. Granic.

[Begin Granic recording] The main reason for the meeting was an appeal by the EC to Croatia to use all her political influence on the Croats in Bosnia-Herzegovina to observe international humanitarian law, particularly regarding the freedom of movement of humanitarian aid convoys, and unconditional access to detainee centers. They also thanked us for the overall hitherto activities by Croatia in that field.

I promised we shall continue to act in that way. That means we shall use all our influence and reputation in order to secure unconditional passage for humanitarian convoys and free, daily, and unconditional access to detainee centers, to improve conditions, and to organize a prisoner exchange.

I used this opportunity to point out that the situation facing the Croats in central Bosnia is much more difficult. For two and a half months, that is until yesterday, no convoys with humanitarian aid had reached them. I also used the opportunity to say that almost 8,000 Croats are currently detained in Muslim detainee centers, and I asked them to use all their influence to put pressure on the Muslim side to act in the same way.

That was the main reason for the meeting. In the end I informed them that access to Croat detainee centers in Herzeg-Bosna was now free. [end recording]

## Crime, War Profiteering in RSK, Serbia

*93BA1363C Belgrade POLITIKA in Serbo-Croatian 28 Jul 93 p 11*

[Article by Ivan Stojkovic: "Who Are the War Profiteers?"]

[Text] Aside from the devastation of war, a wave of crime has also splashed over the space of the former Yugoslavia in the last two years. While some are waging a battle with their erstwhile neighbors on the ramparts of the Srpska republic [RS] and the republic of Serbian Krajina [RSK] on the front line, smugglers, war profiteers, and criminals, among them some who have occupied responsible posts in the government, former officers of the JNA [Yugoslav People's Army], and leaders of paramilitary formations, have been making money in the rear at the expense of entire peoples.

The arrest of Sergej Veselinovic (age 28), former president of Obrovac Opstina, minister of religion and culture in the government of the RSK, and deputy to the RSK Assembly, who was affectionately referred to as the krajina Robin Hood, aroused great public interest. The charge was that in mid-June in Krusevac he and a group of men from Krajina beat up a man in order to force him to repay an alleged debt of 97,000 German marks [DM]. The datum was published in the daily newspapers that Goran Hadzic, RSK president, personally urged that Veselinovic be released on bail pending trial. At the end of last week, in a news conference of the Serbian Radical Party [SRS] Hadzic himself was accused of misappropriation of fuel for tanks, and his name was also associated with the scandal of the merciless cutting of Krajina forests in early March of this year. The public is asking more and more frequently about the ties between crime and politics. It is said that after the war conflicts calm down, there will be a still greater flood of crime, and this is confirmed by experts in this field. Suspicions have also emerged about ties between the underground in the FRY with their counterparts in the RSK, the Srpska republic, Croatia, and Cazin.

### Futile Criminal Charges

The facts indicate that there is quite a bit of truth in these dark suspicions. In the last week of May in Drvar, for example, four officers of the army of the Srpska republic were arrested on warranted suspicion that in recent years, especially in the period since the beginning of the war on the soil of Yugoslavia, they have been stealing gasoline. In the village of Kulpuh near Backi Brestovac, on 4 April a police patrol caught Jovan Rebrac, president of Tenj Opstina, and Radenko Mijatovic pumping D-2 fuel from a tank truck registered in Vukovar and selling it to the public on the black market. There were 10,000 liters of fuel involved. The petroleum was confiscated, and the traders detained, but after that they were released. Unknown perpetrators placed a bomb in the small Fiat automobile of Dragisa Cancarevic, deputy commander of the police station in Borovo Naselje, and the strong explosion destroyed it. Cancarevic survived, obtained another car, and it was riddled with bursts of gunfire. According to official information, 60 people were murdered during last year and the beginning of this year in Baranja far from the front line, thousands have been robbed, and many houses have been robbed and demolished.

On 12 March, there were more than 100 criminals in prison in Beli Manastir. As Svetislav Branic, chief of the SUP [Secretariat for Internal Affairs] of Beli Manastir Opstina, told the newspapers, more than 100 personnel of the SUP have been discharged either because of their inability to perform this responsible duty or because they had joined criminals in shady operations. Criminal charges have been filed against some of them. Ratko Adzic, minister for internal affairs of the Srpska republic, declared in early March that an original list had been found of a large number (about 2,000) of Golf automobiles stolen after war broke out in Sarajevo. Many of these cars ended up on the Belgrade market.

Following the removal of police officials in Vukovar in March, there was a conflict between Milan Martic, minister for internal affairs of the republic of Serbian Krajina, and Zeljko "Arkan" Raznatovic, one of the leaders of the Serbian volunteers and a people's deputy. Martic declared at the time that this removal was carried out illegally and with a calculated political objective. "This putsch of a sort was carried out by people from the underground commanded by Zeljko 'Arkan' Raznjatovic," Martic said at the time, alleging that this operation was supposed to cause chaos in Krajina. Deputy Raznatovic, however, denied those assertions through the newspapers.

### Smuggling Recognizes No Borders

In the last week in February, a joint operation of the military and civilian police, the military Prosecutor's Office, and the courts operating in association with the Banija Corps of the Serbian Army, severed an important channel for smuggling and war profiteering in the border area between Glina and Vrginmost Opstinas and Velika Kladusa, referred to as "Mali Sentilj." Goods worth DM5 million were seized, and it was found that certain Serbs had been smuggling fuel, cigarettes, food, alcohol, and even weapons to the Muslims in Cazin. Sinisa "Shilt" Martic, leader of a paramilitary unit engaged in similar dirty business, smuggling even drugs, was arrested. The protagonists in these criminal acts even included figures from the top leadership of the Krajina authorities, officers of the former JNA, fugitive Serbian businessmen, but their names have not been published in the interest of the investigation.

This case has demonstrated that crime knows no borders. It is interesting that in spite of the great success in the campaign against crime of military justice in Banija, Goran Hadzic, RSK president, and Vojin Susa, justice minister in the RSK government, have called for the military courts to be dissolved. According to information presented by Miladin Trosic, republic public prosecutor, between 22 January and March 450 crimes were committed in Banija and nearby areas, an average of 10 per day. There were 350 perpetrators detected. After the smuggling channel was cut off in Banija, there was talk about a linkup between the underground there and the Slavonia-Kordun lobby, and that in Belgrade.

According to Dr. Vladan Vasiljevic, an expert from the Institute for Criminological Research, empirical research into crime in the Srpska republic and republic of Serbian Krajina has not been done so far. However, Vasiljevic said, it is obvious that from the beginning of the civil war in Yugoslavia there has been a rise in crime and an increased number of crimes involving violence and banditry.

### The War Lords

"Leading figures on all the belligerent sides, the war lords, have been doing a good job of concealing information about criminal acts, arms smuggling, and war profiteering. As for the Serbian side, the appearance has been created that such things do not exist at all. Nevertheless, the Croatian side immediately undertook to prosecute looters and profiteers in this war. Of course, that was not done to a sufficient extent, but as for the Serbian side, it fell far short of prosecution," Vasiljevic said.

He said that people from the top government leadership on all sides have been realizing good profits through various shady deals.

"There has been no control whatsoever over trade between Serbia and the krajinas. Many paramilitary formations have been allowed to operate in the rear and to loot. Goran Hadzic and Zeljko 'Arkan' Raznatovic were caught even before the war began with a carful of weapons and ammunition in Gorski Kotar. Both of them had even earlier run afoul of the law, and even Interpol has a warrant out for Deputy Raznatovic," Vasiljevic said.

From what he says, organized crime is using the government to realize profit.

"A specific form of organized crime is being created in our country. In our case, we cannot talk about the Cosa Nostra, the U.S. gang, or the Japanese yakuzi, but that does not mean that organized crime has not taken root in these parts. The Paris newspaper EXPRESS has published an analysis of the Mafia's points of support in the world. It says that the tentacles of the Mafia extend even to the Dalmatian coast, the Montenegrin coast, Zadar, and Sarajevo. Sicily and southern Italy are indicated as the main centers. Among the businesses mentioned most are arms trade, money laundering, drugs, smuggling of fuel, which is characteristic both of our country and of the krajinas," Vasiljevic said.

Vasiljevic says that the government itself is to blame for the increased criminalization of society in that it has abetted crime with some of its moves such as pumping up the exchange rate on the black market, preventing the public from using its money, and the problems with old foreign exchange savings.

"The Mafia has had collaborators even on our soil, specifically people who even before the war were well-known in the crime world. It is of interest that there are a large number of unsolved murders: Beli, Giska, Aleksandar 'Knele' Knezevic, and Iso 'Dzamba' Lera. When people come back from the battlefield, there will be a still greater crime wave. It will be interesting to see if it is proven that the firm that smuggled arms through Maribor is owned by Serbian-Slovene capital, as published by the Austrian newspaper KLEINE ZEITUNG," Vasiljevic said.

## Commissions Fighting Crime

*93BA1391B Belgrade BORBA in Serbo-Croatian*
*13 Aug 93 pp 10-11*

[Article by Srdjan Radulovic: "Commissions Are Waging a War Against Thieves"]

[Text] "Comrade Tito, you stole, but you gave us something; now these people are stealing, but they give us nothing." This song was recently promoted in Krajina by a group of fighting men going off to the front in a truck. And on the battlefield these words were written in big letters on the facade of a dilapidated house: "Death to the war profiteers!"

Crime has recently become a part of Krajina reality. The song and graffiti certainly do not prevent it, but in this way people give themselves some relief and issue a call to the government to finally react.

"We cannot go on this way. Thieves are walking the streets of the cities, and the poor people are guarding the borders," Mile Paspalj, president of the Assembly of the Serbian republic of Krajina [RSK], has told BORBA, trying to show that the government is aware of the situation.

However, the question remains of how to untie the Krajina knot of crime in the situation when everyone is suspicious of everyone else and when Goran Hadzic himself, leader of the RSK, has been a target of criticism.

### "We Have To Make Arrests and Bring People to Trial"

Judging by the recent moves and statements of the Krajina authorities, the most popular method continues to be the creation of ad hoc commissions. Thus, the RSK government has formed a commission for monitoring the business operation of enterprises in the Krajina petroleum industry and a coordinating body to combat crime and smuggling in Kordun and Banija.

Paspalj says that he proposed earlier that a commission be formed that would make an inventory of the wealth of officials in order to establish or refute various stories about their apartments, houses, and automobiles.... Hadzic has also reacted finally to the accusations made for two months by Rade Leskovac, leader of the Krajina Radicals, by proposing that an ad hoc commission investigate and evaluate the substance of those accusations.

"We have records on crime, participants, and evidence. We have to begin arresting suspects and taking them to trial. If we do not do that, we are entering a totally chaotic situation," Paspalj says.

What is the point of commissions, then, because those formed earlier never produced results? An illustrative example are the commissions of the former government to study the misappropriation of petroleum from Mirkovci. Djordje Bjegovic, energy minister at that time, accused Zdravko Zecevic, former prime minister, of a wasteful attitude in the distribution of petroleum, mentioning even "Krajina sheikhs," and then he himself, when he became prime minister, formed a commission for the same case.

Officially, there is no knowledge of the results of the work of the commission which has been studying whether about 700,000 German marks were spent for the stated purpose after being seized in a convoy in Cazin Krajina, and later it was decided that they be spent to meet the needs of the Krajina police. The commission allegedly established that everything was properly "covered" by the necessary documentation and accounts.

Paspalj also spoke two months ago about the arrests he is announcing and bringing people to trial, in the same way that Milan Martic, interior minister, and Hadzic have countless times announced a more resolute fight against crime. We have learned from reliable sources that Sinisa Martic-Silt was recently taken into custody because of warranted suspicion that he is one of the key organizers of smuggling between Banija and Cazin Krajina. Minister Martic publicly referred to the man with the same last name as his several months ago when he said that Silt was being supported by certain bigwigs, and after that there were rumors that they included his fellow countryman, Mile Paspalj. Will the Krajina story about crime be "refracted" through the Leskovac-Hadzic case, or is that case only a sign that something serious is cooking on the Krajina political scene? That is, past experience shows that stepping up the fight against crime and mentioning certain officials in this context has been part of the struggle for political positions.

### The Radicals Are Tearing Down Hadzic?

The trip by representatives of the opstinas of Kordun and Banija to Belgrade to complain to Milosevic about the work of their government and its inability to stop crime was quickly forgotten, and neither the changes in the government nor the formation of the military court in these areas has reduced the "trade in Sentilj," as the people have long referred to the border crossing with Cazin Krajina.

Leskovac began to accuse Hadzic not long after the reconstruction of the Krajina government, in which the Radicals did not get a single portfolio, although they were allegedly offered several. Following sporadic charges, Leskovac attacked Hadzic fiercely in a meeting of the Krajina parliament in Petrinja on 5 June. At that time, the Radicals demanded that a vote of confidence in Hadzic, but also Paspalj and the government of the RSK be put on the agenda. The accusations against Hadzic became relevant once again following the announcement of the Socialist Party of Serbia [SPS] that it was going to "cross the Drina," and Leskovac has been supported by Vojislav Seselj, leader of the Radicals.

The political background of the attack on Hadzic, in some interpretations, is the attempt to remove Milosevic's key man in the RSK, who up to now has been supporting every move of his, including support of the Vance-Owen plan, which at that time caused a split at the top of the Krajina government. However, those who think that Leskovac has sound arguments against Hadzic do not preclude the possibility of the Radicals carrying out a mission whose objective is to remove the president of the RSK because of the political damage he is doing to Milosevic and the announced expansion of the SPS in Krajina.

In any case, it is not a question of a conflict between the Radicals and the SDS [Serbian Democratic Party], as interpreted by the Regional Committee of the SDS in an attempt to protect Hadzic. This committee has not made itself heard for a long time, nor is it clear which political platform it stands for, when the Serbian Democratic Party has not been functioning as a party for a long time, and because the death of Jovan Raskovic it has not elected a president, nor have the party's official bodies been meeting.

Hadzic has not been responding to the attacks except by saying that he was working "in the interest of Krajina." Nor have the competent government agencies reacted, and Paspalj interprets this as a consequence of the "right of every leader of a party to express his opinion about the president of the Krajina."

"I cannot enter the conflict between Leskovac and Hadzic because I do not have enough information or arguments. Leskovac, however, will have to back up his accusations, because otherwise the government has to protect President Hadzic," Paspalj told BORBA just the day before Hadzic's decision to seek arbitration of a government commission in connection with this case.

We do not know whether Hadzic decided on that step only when he saw that he had support in the top political leadership of Krajina. It is a fact, however, that his move followed after the visit of several days in Glina, where together with Paspalj he paid attention even to the soccer tournament for the champion team of RSK, while in Knin the job was being done in connection with the Erdut agreement.

So, Hadzic is announcing the arbitration of a commission, and Paspalj is promising him "protection of the government unless the commission confirms Leskovac's accusations."

## Surviving in Republic of Serbian Krajina

*93BA1371D Belgrade POLITIKA in Serbo-Croatian 5 Aug 93 p 15*

[Article by Dj. Djukic: "Life in Serbian Krajina—Petrinja: How To Survive Amid High Prices and Low Earnings"]

[Text] *The president of the opstina earns nine German marks [DM], while the average pension is 116 million dinars; three kg of detergent costs DM12.*

Petrinja, 4 Aug—These days it is hard to figure out how the population of the republic of Serbian Krajina is surviving. Based on figures for wages and pensions in Petrinja Opstina, it is possible to conclude that life is exceptionally hard and to raise the question: How are people even feeding themselves?

This largest opstina in Banija has a population of a little more than 20,000, including 2,000 pensioners. The average pension is 116 million dinars, even after an increase of four and a half times, which is poor consolation given the fact that prices have gone up. Among them are people who are unable to work but who worked for 40 years at hard jobs at the blast furnaces of the "Sisak" Ironworks or as butchers at "Gavrilovic." One must bear in mind that besides the pensioners in question there are one or more family members also living with them.

Recently, the directors of the largest local firm, "Gavrilovic," should have received an average of 140 million dinars each as wages for the past month. The president of Petrinja Opstina received 47 million dinars in July, which was worth DM9 at the time. According to a government decision, wages for July can increase four and a half times over, so that the president could expect around 200 million dinars. However, we were told this morning that the opstina budget is empty and that it is doubtful whether any wages will be paid out to the opstina administration.

In Petrinja today, a kilogram of sugar costs 35 million dinars, a liter of cooking oil 30 million, toothpaste costs 30 to 40 million, and a bar of soap costs 14 million. Laundry detergent is available only for German marks, whereby three kg costs DM12. A kilogram of salami is around 100 million dinars, bacon is 110 million, while meat is 150 million on the average. A German mark today in Petrinja is sold for 25 million dinars.

Fifty citizens of Petrinja eat in a soup kitchen while 150, exclusively the elderly and infirm, receive social assistance. The citizens are also getting aid from the Red Cross, and they say that this aid is distributed to the socially threatened. But it is hard to say who in Petrinja is not socially threatened. Somewhat better wages are earned here by employees of private firms, the Krajina Petroleum Industry, banks, PTT [Post, Telegraph, Telephone], and Electric Power Distribution. However, they make up less than one-twentieth of the population.

According to statistics, 60 percent of the population of Petrinja Opstina is living in hunger, while the others are in rural areas. Nevertheless, it seems that anyone with the aforementioned wages would not be able to live anywhere.

## Istria's Demands for Autonomy Discussed

*93BA1379B Belgrade VREME in Serbo-Croatian 9 Aug 93 p 30*

[Article by Brankica Mikic: "Istria: Will There Be a Referendum?"]

[Text] Franjo Tudjman was in an open conflict with the inhabitants of Istria before he was installed as Croatian president. That is, in the spring of 1990, when he was whistled at during an election rally of the HDZ [Croatian Democratic Union] in Labin, which recurred in other Istrian opstinas as well, Tudjman openly told the potential voters: "If they do not like it in Croatia, they are free to leave it." This rather immoderate and arrogant statement/threat from Tudjman has cost his party dearly: The HDZ will lose the election in Istria. At the same time, this episode, right at the beginning of pluralistic life in Croatia, symbolically represents this region's position in the Croatian political spectrum—Istria will always be at the opposite pole from the HDZ.

### Prodigal Daughter

Having chosen the Istrian Democratic Conference [IDS] as the authentic interpreter of their interests (70 percent of the voters in Istria place confidence in the IDS, and in some electoral units more than 90 percent), the Istrians have in the last three years represented in many respects the only opposition to the incumbent regime in Croatia (the antiwar movement, resistance to rising racism and ever greater centralization, a correct attitude toward domestic, "loyal" Serbs, and so on). That is why Istria has been the Croatian region most frequently called to account, accused of being a nest of "communards" in disguise, people nostalgic for Yugoslavia, advocates of home rule, Croats by mistake, and those whose national consciousness is not high enough. From occasion to occasion, it has been treated as a "prodigal daughter" or as a "traitor." But it seems that this treatment has made the Istrians mad and they have decided to act more aggressively. Recently, the IDS has given the Croatian public and still more the Croatian Government a good shake with several "verbal bombs."

### What Istria Does Not Want

Dissatisfied with the unprincipled attitude of President Tudjman toward Istria, and particularly toward laws on local administration and home rule, which place authority over Istria outside this region, more precisely in Zagreb, on 2 August in Labin, in a regular meeting of this party, the IDS deputies voted to fight for constitutional reforms and to resolutely oppose "the centralism which is headed toward totalitarianism." At the same time, the Istrians have for months now been resentful because of the forcible "Croatization of Istria" and the imposition of a coarse and fanatical Croatism, as they put it—of the "Herzegovinian type." The feeling is that there is a desire to deprive Istria of a great number of its attributes—its identity as a Mediterranean, Balkan, European, South Slav, and open region—and to give it in exchange what it already had—the feature of being a region, specifically a Croatian region.

### What Istria Wants

Although Zagreb is taking pains to portray the conflict with Istria as ideological, it is clear to any observer who is at all politically literate that two different concepts of the organization of the state are actually involved here. While the HDZ advocates a centralistic state (with an incomparably higher degree of centralization than that of the state which had to be destroyed because of "centralism"), the IDS favors Istria as a modern region with a European model of local and regional self-government, respect for the rights of minorities and the concept of a civil state. Speaking about the highly developed regions in Europe, to whom 80 to 90 percent of the revenues they have earned is returned, the IDS emphasizes that Istria is left barely 8 to 9 percent of its revenues, which is not only unjust, it acts as a disincentive. "I do not have the precise figure, but I know that our financial people say that we would be lucky if Zagreb left us as much as Belgrade left us," said Ivan Pauleta, a parliamentary deputy from Istria, in an interview published in NOVI LIST in Rijeka (15 July 1993).

### A Transborder Region

In its desire to make of Istria a transborder region, after the model of 18 such regions in Europe, and advocating peaceful relations with neighbors (including both Croatia and Slovenia), the IDS interprets its commitment as an act of goodwill. Because with the disintegration of Yugoslavia they themselves have found themselves divided into two states, the Istrians, they say, want to bring about conditions for the border to wither away. At the same time, they are forced to constantly emphasize over and over again that they themselves voted for Croatian sovereignty and that a transborder region does not threaten the integrity of Croatia as a state. But the HDZ is not very receptive to such "suspicious" proposals.

What all this means in practice is that the conflict with the HDZ project of Croatia is inevitable in Istria, because, as the Istrian zupan Lucano Delbianko has put it, "the IDS will not lessen nor back off from its demands." Thus, in a recent meeting of the IDS someone said that "'enough' had to be said to the holders of power at the center and the humiliation of the inhabitants of Istria had to be stopped." "That is why we are demanding the autonomy of Istria!" said Elio Martincic, one of the leaders of the IDS. Will there be a referendum?

## Opposition Pressure on HDZ

*93BA1368D Zagreb DANAS in Serbo-Croatian*
*6 Aug 93 pp 16-18*

[Article by Zeljko Luburovic: "Stipac Tests HDZ"]

[Text] *Even in Great Britain, the opposition believes that a political turnaround must be effected because European unification means death to the strategic interests of the United Kingdom. Nevertheless, in making its case it is exclusively using the media and statements in Parliament.*

The report that the leader of the Croatian Peasants Party, Eng. Drago Stipac, brought the leaders of almost every important Croatian political party, including Ivan Milas, who represented the ruling HDZ [Croatian Democratic Community], together at the same table in the Zagreb restaurant The Two Pigeons was only one in a series of reports in recent weeks that have portended political pressure on the HDZ by the opposition. Even before that, the SDP [Party of Democratic Changes] had been not at all timid in its threats to walk out of the Assembly, while the leader of the HSLS [Croatian Social-Liberal Alliance], Drazen Budisa, left the same option open for his party as well last week in an interview with Zagreb's GLOBUS. The goal of all these initiatives, including the latest one at The Two Pigeons, is to show the ruling party that in its pursuit of Croatian policy it has led Croatia and the Croat nation to the very depths, but also that the opposition is no longer willing to participate in Croatian political life in which its hard work only legitimizes HDZ rule. Specifically, the opposition has for some time complained that its proposals have not met with understanding in the HDZ; instead, they have almost regularly been understood as attempts to break up the HDZ, and even when they have been obviously of strategic importance to Croatia they have not been able to get past the rigorous voting machinery of the HDZ. This rigor from the opposition is almost regularly intensified by the irrational party discipline in the ruling party, so that all of this together, it appears, has created a dilemma for the opposition: Should it continue to act only in the Assembly, or should it seek refuge in certain other forms of political struggle, through which it would forcibly extract a turnaround in Croatian state policy?

**Legality and Morality**

Judging from the direction taken by Drago Stipac's initiative, the latter will be pursued, so that it cannot be ruled out that Ivan Milas, who understood Stipac's initiative in this regard, concluded after the meeting at The Two Pigeons that the creation of certain new forms of power was under way. The strength of the opposition, even if there is agreement to Stipac's initiative, is far from being such that it could form some sort of parallel power base (which, Stipac says, is not at all the goal of this initiative), and even less that it could result in a change in the attitude toward Croatia of certain important elements on the international political scene. The very fact that Milas refused to discuss with the opposition in the offered manner a turnaround in Croatian state policy, especially toward Bosnia-Herzegovina, reveals the pathos of the problem. Specifically, the whole matter can be regarded from two different angles. One of them is clearly the one that gives top priority to the legality and legitimacy of the government, to the so-called constitutional principles of this government's actions. From the other angle, however, some are citing moral principles, where the question of a turnaround in Croatian state policy is raised as a question of responsibility toward one's own people and their strategic interests. Dr. Zdravko Tomac does not agree that the current attitude of Croatian state policy toward Bosnia-Herzegovina, UNPROFOR [UN Protection Force] and so on is automatically comparable to the attitude of the prevailing British policy toward the Maastricht agreement, i.e., European unification. There too, for example, the opposition believes that a political turnaround must be effected because European unification means death to the strategic interests of the United Kingdom. Nevertheless, in making its case it is exclusively using the media and statements in Parliament, the culmination of which is the potential insistence on a referendum.

**Political Goal?**

Although Dr. Tomac contends that the cases are not comparable, in our country as well the opposition has used up almost its entire arsenal in the Assembly, while continuing to state its positions daily through the media. Consequently, the opposition's position is well-known. The ruling party, however, refers to the legitimacy gained in the last elections, so that the opposition initiative has in fact proven to be a vain effort. Especially since the opposition has yet to clarify whether this is the appropriate time to make the government change policy through noninstitutional pressure, to schedule early elections or some sort of referendum.... Especially since despite the still unresolved question of Serb aggression in Croatia, external pressure, the poor economic situation, and the increasingly certain opening of an "Istrian autonomy front," the opposition initiative could easily become a Croatian political goal. And that is because it is not very likely that the ruling party could comply with Stipac's proposals on a turnaround, and even less likely that it would agree to the formation of some multiparty government, which is how some from the opposition have understood Stipac's initiative. Stipac contends that this is only the second level of the problem, that a multiparty government is definitely not a precondition for a turnaround in Croatian policy. Specifically, it contends that consensus is necessary among all political parties on the question of foreign policy and some areas of internal policy, while Drazen Budisa does not seek any sort of consensus on internal policy. But Budisa too contends that the question of a multiparty government is marginal, and it cannot be ruled out that this stance of his is a lesson that he learned from serving as minister in the first government of national unity. When he left that government, Budisa said that he did not want to bear responsibility for decisions that he was not involved in making.

This statement by him is the de facto and de jure basis for why advocates of legalism are challenging Stipac's initiative. Specifically, they contend that the Constitution of the Republic of Croatia set up the political system in such a way that all decisions can be made and enacted only in agreement between the president of the republic and the Assembly. Concretely speaking, this means that without the approval of Dr. Tudjman and the Assembly deputies from the ranks of his party (because their votes dominate), it would not be possible to effect a turnaround in Croatian foreign policy, or internal policy either. Drazen Budisa is already skeptical about the results of the initiative from The Two Pigeons and thinks that nothing will happen without Tudjman's consent. And it is known that President Tudjman has rejected the possibility of a turnaround in Croatian state policy, the platform offered to him by Eng. Drago Stipac. Thus, Ivan Milas simply conveyed the opinion of his party's leadership at The Two Pigeons.

Perhaps Drago Stipac does not feel the same way, because he has presented his initiative as a project supported by part of the ruling party. Perhaps in this way he hopes to stay in the game for the long run, i.e., until he has enough votes within the ruling party to raise this question in the Assembly and present the ruling party with a fait accompli—either a turnaround or paralysis of the system. This possibility—paralysis of the system—has already been mentioned in the Croatian media, when the government of Eng. Sarinic fell and was replaced by the Valentic government. At that time it was seen that without consensus within the ruling party, and thus consensus between the president of the republic and the ruling party, there is no guarantee of calm even for a government of the ruling party. In other words, with regard to Stipac's initiative as well, those who want to disrupt the stability of current state policy and its Assembly nirvana will first have to erode the HDZ internally, regardless of the ultimate goals. Some say that Eng. Stipac in fact concluded that that party was already sufficiently internally eroded, and that his initiative was simply a bone of contention for opposing factions in the HDZ to gnaw on to the bitter end.

### Stipac Rallies Opposition

Milas's presence at the meeting at The Two Pigeons could be sign that those taking delight in this development are sadly mistaken. Nevertheless, Stipac is not wavering and has already called for a new meeting of the opposition. By the time that readers see this article, some new details of the focus of Stipac's initiative will be known, but it is not very likely that there will be any significant shifts aside from the mere raising of voices against Croatian policy and a final definition of the opposition's platform. This is also confirmed by the opinions of those who say that Stipac's initiative is identical to the HSLS announcement that it will walk out of the Assembly, i.e., that this is merely a case of intimidation of the undaunted. Of the stubborn as well?

## Peterle Rejects UN's Idea of Integration of Refugees

*AU3108081693 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 30 Aug 93*

[Text] Foreign Minister Lojze Peterle has sent a letter to Sadako Ogata, UN High Commissioner for Refugees.

In it he draws attention to the commission's idea of integrating temporary refugees into Slovene society. Minister Peterle stresses that Slovenia cannot concur with this, but confirms that our state will continue to help temporary refugees to the best of its ability until the conditions for their return home or departure to other countries are created.

Minister Peterle asks the UNHCR to do its utmost to create these conditions as soon as possible and acknowledge Slovenia's position in the future treatment of the issue of temporary refugees.

## Economy Collapses After Break With Yugoslavia

*LD3008131993 Belgrade TANJUG in English 1213 GMT 30 Aug 93*

[Article by Igor Saranovic]

[Text] Ljubljana, Aug 30 (TANJUG)—In the first half of 1993, Slovenian economic losses exceeded 1.4 billion Deutsche Marks, 50 percent up on the same period last year, the republican public accounting service says. Slovenia was the best developed republic of the former Yugoslavia before its violent secession in 1991.

One in two of Slovenia's 23,300 companies which employ a workforce of over 486,000 is teetering on the brink of survival. Over the past few months, bank accounts held by 2,500 companies have been blocked, and almost 100 of the former leading firms may be forced to go bankrupt.

Since the break with Yugoslavia, unemployment has quadrupled. The number of people on the dole has skyrocketed from just below two percent in 1988 to 14 percent in August 1993.

Economic analysts are reluctantly beginning to admit that the separatist policy and political muddling of the former Yugoslavia have stripped Slovenia of a market of 17 million buyers. The majority of Slovenian companies had for decades sold an average of 35 percent of their products on the Serbian, Bosnian and Croatian markets. Judging by developments in the meantime, it will take years of effort for Slovenia to regain its former stature on these markets.

In comparison with the other former Yugoslav republics, Slovenia had the best developed industry of finished products and the tertiary sector, owing mostly to cheap energy and raw materials coming from the less developed republics. Statistics show that Slovenia's share in the GDP of former Yugoslavia was 16.7 percent, but its GDP per capita was by far the highest. In 1989, the last year of the normal functioning of the former Yugoslav Federation, the GDP per capita for entire Yugoslavia was 2,490 U.S. dollars, and for Slovenia 5,680 U.S. dollars.

Gorenje, Elan, Slovenske Zelezare, Emo, Mehanotehnika and the other erstwhile economic giants are now breaking apart because they are not able to gain access to the Western European market or because they have become an easy pray for German and Austrian firms. The large business systems of these countries have begun taking over the healthy companies in some industrial branches, especially in tourism and trade.

The Slovenian market is flooded with foreign goods which are much cheaper than those domestically made. Politicians are trying to profit by the high tide of secession-triggered enthusiasm, which is still running strong, and to pass this practice off as becoming part of Europe.

Statements of poor economic performance have been systematically kept away from the public. Instead, the public has been fed information about economic progress and major deals with leading Western companies whose executives have been received by top Slovenian officials with much pomp.

The only one to try to introduce a sobbering note in the nationalistic euphoria has been the renowned Bajt Institute, named after the economic expert Aleksandar Bajt. Bajt and his associate Joze Mecinger have been doing their best to wake the public up to reality, and all they have earned for their pains has been a falling out of grace with the powers that be in Slovenia.

## New Details on Arms Smuggling to Bosnia

*93BA1385A Zagreb GLOBUS in Serbo-Croatian 13 Aug 93 pp 12-13*

[Article by Jasna Babic: "Jansa First Stole Our Expensive Missiles, Then Invented the Maribor Affair"]

[Text] On Monday morning, the Austrian police entered the main headquarters of Australbanka in Vienna, which caused great excitement in the sizable Muslim community settled in Vienna. In one of the hotels in Vienna where "German" has been almost entirely displaced by "Bosnian," a group of people was excitedly discussing the possible consequences of that curiosity on the part of the police. Australbanka, after all, is one of those Austrian financial institutions through which the Muslims of Bosnia and Herzegovina have been collecting money for their immense war expenditures. According to still unverified reports, in the end nothing dramatic occurred: The police did not find what they were looking for. Thus, Janez Jansa, Slovene defense minister, has for now managed to avoid a dispute with the powerful financial circles in Austria and with their international partners in the Islamic countries.

**Secret Meeting in Vienna**

Nevertheless, the very fact that the Austrian police were motivated by Jansa's affair of 120 metric tons of smuggled Muslim weapons found at the Maribor Airport to take a look at the Vienna bank indicates how right Silvo Komar, chief of the branch of VIS [Security Information Service] in Maribor, was right when he said: "Countries with which Slovenia wants good relations are involved in the case." This is a warning which Komar was sending to his defense minister and the Slovene public just a short while before he was proclaimed the principal smuggler and then arrested. Four other men were arrested with him, and even a certain Dieter Hofmann, an Austrian and owner of an airplane agency, was arrested as a suspect. According to the Slovene police, Hofmann's airplane firm was carrying the arms from the Maribor Airport to the Balkan battlefields, and at the moment when the Slovene police were making their first official statements, he was already in a Hungarian prison. Only Hasan Cengic, the seventh suspect, former imam of the Zagreb mosque, has remained inaccessible to the Slovene authorities, and an Interpol warrant is said to have been issued for him. In its last issue, quoting a representative of Croatian Interpol, GLOBUS showed that this is not accurate and that in Slovenia there is actually no particular interest in having Cengic, the principal supplier of arms for the Army of Bosnia and Herzegovina, actually arrested and brought to trial.

Not only because in late 1991 Jansa and Cengic personally conducted several purchase-and-sale transactions with Kalashnikovs, but also because the former Zagreb imam is very well-versed in all the details of the story and knows quite well that the version made public about the Maribor arms does not square with the truth....

To recall, Jansa represented the entire affair of the "Maribor arms" this way: On 22 July, an unidentified individual informed his Defense Ministry that Silvo Komar, chief of the Maribor VIS, had 11 containers with an immense quantity of arms stored at the airport. According to the first version, members of a special unit of the TO [Territorial Defense] immediately rushed to Maribor and discovered that this is true. The very next day there was a ready-made and complete reconstruction of the smuggling chain. The arms—it was stated at a spectacular news conference on 23 July—were shipped from the Sudan, accompanied by false documentation stating that this was humanitarian aid for refugees of Bosnia and Herzegovina. The smuggled goods were discovered, then, only a year later by a lightning-fast action of Jansa's ministry. In the next public statement, the Slovene defense minister repeated the same story, but it nevertheless differed in a small detail: He did not say that the containers with markings of Islamic humanitarian organizations were opened by his special forces, but by the regular Slovene police and Maribor customs agents. That small "correction," inaccurate incidentally, demonstrated still more clearly that Jansa's big scandal is actually hiding many secrets.

Immediately after publication of the GLOBUS article on this subject, the paper received a telephone call in which an anonymous male voice with a strong Bosnian accent offered parts of the confession which Jansa held back. Just as in some thriller plot, GLOBUS was offered a conspiratorial meeting, not in Zagreb, not in Croatia, but in Vienna, the city which in recent months has become the capital for Muslims of Bosnia and Herzegovina. There, the Bosnian Embassy, diverse humanitarian organizations, Austrian banks with secret accounts for financing rifles and missiles, and hundreds of minicompanies whose owners have Muslim names, are lined up next to one another at intervals of 200 meters in the vicinity of the railroad station. Nor is it any great distance to the headquarters of Islamic Relief, in which the enigmatic Arab referred to in the affair as Dr. Faith is particularly active. He had been seen at the Maribor Airport with a suitcase full of new dollar bills. His full name is Elifaith Ali Hassanein, he actually is a physician, an internist, a friend of Alija Izetbegovic for many years, a former student at Sarajevo University, and today permanently employed in a Vienna clinic. Along with Hasan Cengic, Dr. Fathi—as the Muslims call him—is certainly the most important person in the process of arming the Army of Bosnia and Herzegovina. He actually does not know much about weapons, they say, still less about smuggling, but he pays all the bills without question.

**A Balkan Casablanca**

In that milieu of a Balkan Casablanca, which lives its life behind the smooth Vienna facades, the mysterious voice over the telephone of the editorial office was identified as a high official in the Government of Bosnia and Herzegovina, embittered by Janez Jansa who had been collecting a huge commission from Bosnia and Herzegovina not only for transit of illegal shipments across Slovenia, but quite often for buying and selling them. So, the Bosnians say, Jansa did not "discover" anything: He knew it all before.

"Thanks to the so-called discovery of the smuggled weapons at the Maribor Airport, Jansa overnight became the most powerful politician in Slovenia," GLOBUS's conspiratorial collaborator began his version of the Maribor case. "He opened only a few containers in front of the newsmen; the Kalashnikovs which he showed them have nothing whatsoever to do with the most valuable contents of the shipment. Those 11 containers did not include even 1,000 Kalashnikovs, much less 10,000, as Jansa says. On the contrary, there are weapons which the Slovene defense minister never could have purchased on the West European market. Not because he does not have enough money, but because he does not have strong enough 'business' connections."

In short, the 11 containers which on 22 July were opened and seized by Jansa's special forces contained 6,000 SAR rifles with a corresponding number of optical attachments, 280 Beretta 92 F pistols, which incidentally are used by the U.S. Army, along with silencers, 320 BIL 56 rockets, which cannot be found on the weapons black market, and 14 rocket launchers. And that valuable shipment did not arrive at the Maribor Airport in September 1992, as the Slovene authorities say, but much later, at a time when the logistical centers of Bosnia and Herzegovina in Vienna, Ljubljana, and Zagreb were facing the problem of how to transport this to the destination, because the roads to Sarajevo and Zenica were cut off by the Muslim-Croatian conflicts.

So, the fact that the Slovene defense minister displayed before the TV cameras only Kalashnikovs worth $60 apiece, and not the rest of the expensive armament, means that the special unit of Territorial Defense sent to the Maribor Airport supposedly after a private tip to Jansa's ministry actually contained weapons for their own purposes. Because that unit of Slovenia's armed forces—consisting of 1,800 men—is under Janez Jansa's direct command, he has in this way put together a huge armed force almost overnight.

### A False Journalist

It is true, that is, that airplanes of a Hungarian-Ukrainian company did land at the Maribor Airport in September 1992 carrying a shipment of arms which had been ordered and paid for by Muslims of Bosnia and Herzegovina. According to fax correspondence between the Bosnian customers and the anonymous seller, this arms shipment was worth $14.2 million, which partially corresponds to the list which Slovene authorities offered to the public as the list of the allegedly discovered smuggled goods.

Among other things, those 10,000 Kalashnikovs were hidden in the shipment. But Jansa's special forces could not have discovered the Kalashnikovs on 22 July 1993, because back in January of this year that shipment "disappeared" from the Maribor Airport storage area. That is, a not so conscientious "logistical" expert from Bosnia and Herzegovina sold off those weapons in several directions. For a huge commission, of course, and he managed to avoid trouble with his own fellow countrymen and institutions of the Bosnian state by compensating the costs, paying the customers all $14.2 million which the arms had cost.

Part of that shipment was later resold to get Muslim units which are not part of the Army of Bosnia and Herzegovina, while another part was transported to Knin. And sure enough, even Janez Jansa himself declared in an interview with NEDELJNJA DALMACIJA that the Maribor Airport was a transit point not only for secret distribution of arms to Croats and Muslims, but also to the Serbs in Knin. He did not say, however, who could have transported weapons to Knin nor how, and whether the arms traveled over Slovene and Croatian roads, by helicopter, by airplane, or some other way. But that incidental remark by Jansa coincides with the Muslim version of events which was substantiated to GLOBUS newsmen by the high official of Bosnia and Herzegovina at the secret meeting in Vienna. The last items of the September arms shipment left the Maribor Airport back in January 1993, and that last cargo was taken over by a certain Nikola, last name unknown, and Milovan Pejnovic. The latter was apprehended just a day or two later near the Peruca dam, and the rest of the story is well-known to the public. Representing himself as a cameraman for TV S at Pale, Pejnovic ran up against the Croatian police. He was arrested with his partner under suspicion of attempted sabotage. He spent nearly half a year in Croatian prisons. Three days before Jansa went public with the Maribor affair, that is, on 19 July, Pejnovic was exchanged for captured Croats. And thus a second potentially important witness in clearing up the affair at the Maribor Airport became inaccessible to the Slovene authorities. All the others whom Jansa has proclaimed guilty actually know nothing more than Jansa himself—that certain Slovene politicians and certain Slovene firms are making a living from the Balkan war.

Having deceived the Muslims, then, Jansa nevertheless also deceived himself. In publishing the story about the Maribor smugglers, after all, Jansa not only exposed the channels whereby the Army of Bosnia and Herzegovina was being armed with the tacit blessing of the great powers, but he also shook up the system for shipment of humanitarian aid with which the world is salving its own conscience.

GLOBUS' mysterious informant, that is, says that even that episode in Jansa's story is not accurate. The arms were arriving at the Maribor Airport without any papers whatsoever, even without the labels of humanitarian organizations referred to by Jansa. In covering up his valuable seizure of Singapore rifles, U.S. berettas, and BIL's, Jansa extracted from the airport terminal the papers he needed to fabricate the story. Those papers actually pertained to humanitarian aid, and they contained fax correspondence between the Zagreb Merhamet, the Bosnia and Herzegovina Embassy in Vienna, and the Slovene authorities concerning tons of flour, sugar, and cheese, dating from September 1992. Thus, in a single move Jansa managed to compromise not only international arms smugglers, but also those countries which have been announcing the possibility of military intervention in Bosnia and Herzegovina, erroneously evaluating the possible consequences of the Maribor affair, which he himself brought about.

## Jansa Interviewed

*93BA1384A Ljubljana DELO in Slovene 13 Aug 93 p 2*

[Interview with Defense Minister Janez Jansa by Boris Suligoj; place and date not given: "'I Think I Know the Truth, but It Will Also Be Necessary To Prove It'"]

[Text] *It was a triple crime, the defense minister said: illicitly acting as middlemen and selling weapons, violating international conventions, and misusing the insignia of international humanitarian organizations.*

Koper, 12 Aug—"If the council of judges on the Maribor basic court thinks that there was anything illegal in my statements about their work, they should act in accordance with the law, and not convene a rally, since they know precisely how to file charges against someone who has violated the law. Of course, they first have to obtain an accurate recording of my press conference, where this was discussed," Slovene Defense Minister Janez Jansa stated for DELO today, even though he is on vacation, and added: "Unfortunately, I am quite familiar with the criminal code, since the one under which I was tried is in effect. I know that there are still many people in jail for much less serious crimes, so that they would not be able to tell tales."

[Suligoj] How, then, were you summoned to visit the Maribor investigating judge—for a talk, or as a witness?

[Jansa] The criminal code specifies precisely how witnesses in proceedings are summoned. I received a summons on Friday morning, when I came to work—by facsimile, at 0800 instead of 1000 in Maribor, which by itself indicates the professionalism of the institution in question. The investigating judge also called by phone, and I agreed that I would come for a talk on Monday, which I did.

[Suligoj] Then it was supposed to be a talk and not the questioning of a witness....

[Jansa] It was an informal talk with the investigating judge....

[Suligoj] What about yesterday's statements by the Maribor judges that your statements represented unprecedented pressure on them, violation of the independence of the judicial system, and interference with the investigation?

[Jansa] The judges are confusing two things. One is criticism, to which all three branches are exposed, legislative, executive, and judicial, and no branch should function without that criticism in a democracy, if we want to have a normal democratic state. The other thing is that if one branch usurps the authority of another—you will probably agree with me—it cannot be done in a news conference. It seems that they overlooked a normal practice in the world—has any important trial in the world, except in Stalinist states, taken place without the judges' also being under the scrutiny of the public, politics, and so forth? A problem would arise if someone else usurped their authority, conducting hearings and the trial; then they would be justified in holding a rally.

### The Judges Could Have Already Learned Something by Now

[Suligoj] That means that your views were consequently only what we might call well-intentioned criticism?

[Jansa] Yes, with the provision that it has more to do with the points cited in the statement than with the statements that the reporters then wrote down at the news conference. Such an eminent council as the council of judges on some basic court ought at least to obtain a genuine recording from the news conference and judge on that basis. They should have learned at least that much in their work—to obtain genuine evidence, since I did not talk about the court or the judicial system in general, but rather only the two people who are directly conducting the proceedings. I did not speak in general terms, but rather about things that I was specifically familiar with, and I also provided specific grounds for them....

[Suligoj] Then the reporters inaccurately conveyed your statements at the news conference?

[Jansa] Many of them did, but that happens often. Before any judges' rally is convened, they ought to obtain genuine recordings, and then they would not be defending themselves against criticisms that were not there. That is an old method: You make an elephant out of a mouse and then you shoot at the elephant, because the target is bigger.

[Suligoj] Have you been summoned by the investigating judge again as a witness?

[Jansa] I have not yet received any official summons. The investigating judge told me that the deputy prosecutor, who is heading the trial, requested or proposed that I be questioned as a witness, namely in connection with two questions: how the weapons were discovered and what role the Army played in it. That is a slightly strange and interesting direction for the investigation (as I already said at the news conference), since the court proceedings are being held because of the illegal possession of large amounts of weapons. How individual bodies cooperated in this investigation during the preliminary proceedings before the court took them into its own hands was shown by the discussion in parliament, when the government reported on this case, and there was also a report on the Army's role. If that now interests the prosecutor as well, he should open another case, if he thinks that there was something wrong, and not try to take one case, which is being handled under a given law, in some other direction. He has all the authority to open a new case against me or anyone else, if he thinks that there was anything illegal about the discovery of the weapons. Of course, he has to prove things.

[Suligoj] The public is divided because of the different reports that are appearing in connection with the discovery of the weapons, and in connection with your alleged role in it. At least three theories about that scandal are appearing, and I would like to ask you to comment on each of them. The first one is that Jansa invented this scandal in order to solve some sort of problem for himself in this way, or to get even with someone in power; there has even been talk about a military coup. The coup is supposed to have been prepared by you....

[Jansa] That would have to mean that I brought the weapons there and organized everything else. Now the question that arises is why the ones who were in jail did not simply say that....

[Suligoj] How do you know that they did not?

[Jansa] Because the investigating judge said that they had not given statements. You can be sure that it would have been in the media the next minute, if they had. It is a contrived theory. It is not logical from the very beginning. This has to do with 120 metric tons of weapons, and it is not a simple matter for anyone to pull that out of his pocket....

### There Is Documentation for Every Cartridge

[Suligoj] If the ministry bought the weapons or was behind that purchase, could that be found out?

[Jansa] There is documentation on everything that the ministry has done and is doing. We had to issue appropriate forms, theoretically, for one single rifle cartridge in order to bring it across the border; otherwise no weapons entered the country.

[Suligoj] In order to stage the scandal and thus get even with someone...?

[Jansa] How? Can you tell me how that could have been done?

[Suligoj] The act would have been simply attributed to the activity of old political forces, the old authorities....

[Jansa] And how am I supposed to have persuaded them to do it? It is completely illogical.

[Suligoj] The second hypothesis is that they wanted to plant those weapons on you, and that they were weapons traveling through Slovenia for Bosnia....

[Jansa] It has already been proven that that was not the case. There is an official position from the Bosnian Government that those weapons did not belong to it. They have other indications of where those weapons were supposed to go. Mr. Cengic never offered any sort of authorization from any official body.

[Suligoj] If they had been for the Bosnians, wouldn't they have concealed them?

[Jansa] Above all, they would not have waited for 10 months and kept them at an airport.

[Suligoj] Then the theory that someone wanted to plant the weapons on Janez Jansa is not true either?

[Jansa] That is not true. It could be that someone wanted to use part of it, but that would have to be proven, since you cannot plant 120 tons of weapons on someone.

[Suligoj] The third theory has been contributed by the Croatian weekly GLOBUS: that the weapons discovered also included 6,000 SAR 80 rifles, 280 Beretta 92 revolvers with silencers, 320 BIL 56 rockets, and 14 rocket launchers, and that Janez Jansa wanted to appropriate that very modern weaponry for himself. Is that true?

[Jansa] No. Those are ridiculous amounts and types of weapons. They are not very modern weapons, as GLOBUS says. It can be seen just from that that this business was faked; only a reporter who cannot distinguish a rifle from a pistol could be taken in. None of what GLOBUS lists was among the weapons. They were at the airport and they were not under our control, as the investigation has already revealed. The weapons were physically discovered by customs, and we only provided the information. When they were discovered, the business started—at least three services were present when the weapons found were counted.

### I Know the Truth

[Suligoj] Then a fourth theory still exists....

[Jansa] The truth still exists.

[Suligoj] Do you know it?

[Jansa] I think so, but that is not enough; it is necessary to prove it. That is why there is a third branch of government.

[Suligoj] Can you be more precise about what you think is the truth?

[Jansa] That it was a crime—perhaps a triple crime, illegally acting as middlemen and selling large amounts of weapons, violating international conventions, and misusing the insignia of international humanitarian organizations.

[Suligoj] Who did it?

[Jansa] Several operatives who worked directly on it have been discovered. The investigation should keep uncovering the chain. Certainly no airport director is at the top of that chain. It could only have been organized by someone who has a strong base in Slovenia and also abroad, a strong economic and political base, i.e., he had a solid enterprise behind him.

[Suligoj] If he has such a strong base, how is it that he did not take care of the weapons earlier?

[Jansa] How do you know that there were not more weapons? There is no evidence that there were not more weapons. It also has not been proven 100 percent that these weapons were really resting in the warehouse for so long. That is being concluded on the basis of the bills of lading.... When they discovered the weapons, they determined that there were 11,000 automatic rifles and 4,000 rifle kits, i.e., the numbers do not go together—the combat sets of ammunition were not complete; it could have been part of some larger transit, or packages that went somewhere else.

### Unreformed Judicial System

[Suligoj] How do you explain the fact that the information came to you?

[Jansa] It involved the same motives as in 1991 with our intelligence service, which collected more information on the Yugoslav Army, even though it only had four employees, and State Security or the VIS [Security-Information Service] had 15 times as many. You tell the information to someone you think is not involved.

[Suligoj] You could have been manipulated. Someone provided you the information so that you would be the ones to discover it....

[Jansa] That does not change the fact. My duty is to check if someone tells me that there are military weapons somewhere....

[Suligoj] Have you already explained these details to the investigating authorities?

[Jansa] No.

[Suligoj] Will you?

[Jansa] Of course, when the proceedings are far enough along that it is possible, possible to protect certain witnesses, and so forth.

[Suligoj] The public expects more information, since such information is confusing them, sowing distrust....

[Jansa] I also expect more clarity, and that is why I am not satisfied with the pace of the investigation. There were at least three crimes, but the investigation is only being conducting for illegal weapons possession, but there is also violation of the conventions, abuse of office, and so forth. Of the three branches of authority, two have gone through a reform (the parliament and government), and the judicial system has been least reformed in terms of personnel, organizationally, and substantively. The question that arises is how likely it is that people who were still functionaries in the only permitted party several years ago and worked together—but now some are judges and some are suspects—will actually act in an unbiased manner. That is also one of the basic questions of the so-called judicial system in all postcommunist societies.

**[Box, p 2]**

### Public Communique

The newspaper GLOBUS in Zagreb, on 13 August 1993, published an article entitled "Jansa First Stole Our Rockets, and Then Invented the Maribor Scandal." That article is full of falsehoods. Provably false statements cannot change the true facts in connection with the Maribor incident, and at most can serve for the mutual shifting of responsibility of various more or less successful "logistics officers."

---

## Top Officials Implicated

*93BA1379A Belgrade VREME in Serbo-Croatian 9 Aug 93 pp 32-33*

[Article by Svetlana Vasovic-Mekina: "SOVA, VIS, Moris"]

[Text] The recent discovery of 120 metric tons of arms at the Maribor Airport seemed like a well-scripted putsch in some Latin American country. The "discovery" was made by Janez Jansa, Slovene defense minister, with the help of Andrej Lovsin, chief of the Slovene VOMA (military intelligence service), who activated his agents in Celje and Maribor, and at the same time engaged Anton Krkovic of the special Moris Brigade to send his trusted personnel to Maribor.

The Moris Brigade, which incidentally belongs to TO [Territorial Defense], has throughout the entire operation been furnishing members of the military intelligence service, and they arrived at the airport 24 hours before the Slovene criminals. Immediately thereafter, Minister Jansa called a news conference and accused Silvo Komar, chief of the Maribor VIS (civilian secret police), of trading in arms; just a few days before, the latter had become assistant to Silvano Jakin, the new director of SOVA (the Slovene intelligence service, which is the successor to the recently renamed VIS).

### The Bait

He made a simultaneous arms smuggling charge against the mixed enterprise DRUG IMPEX in Velenje, which Minister Jansa introduced as a Slovene-Serbian enterprise. In order to make a better impression, and to back up his assertions, Minister Jansa pronounced the name of the firm in Serbian (droog), not as is correct in English (drug). He mentioned at the same time that the accused Silvo Komar is incidentally a close friend of Milan Kucan, which they became back in the time when they both worked in the Central Committee of the League of Communists of Slovenia. The interpretation of this construed event at the Maribor Airport, as arranged by the Slovene defense minister, was clear: Milan Kucan and his friends nostalgic for Yugoslavia are smuggling arms through Slovenia with the help of a Serbian friend in order to help none other than the Serbs in Krajina.

Arrests ensued, of course. The police took Silvo Komar and several other suspects into custody.

### Death Merchants

The interpretation of the background of the arms trade, as represented by the Slovene defense minister, is routinely simple, even banal. However, the documents obtained by journalists of MLADINA also reveal the other side of the coin: The arms trade took place through the Maribor Airport with the knowledge of the highest Slovene officials (including Jansa) and with the approval of the Slovene National Security Council.

Discovery of the supposedly illegal arms trade occurred for several reasons: following the increasingly frequent conflicts between Croatian and Muslim forces in Bosnia, Croatia prohibited the helicopter transport of arms to Cazin Krajina (at least 1,200 tons of arms have allegedly been transported to Cazin Krajina via the Maribor Airport), following which the last shipment "got stuck" at the Maribor Airport; what is more, the remainder of the shipments already prepared could no longer be sent back to the supplier. The death merchants were also panicked by the increasingly determined demands of the opposition that they tell the truth about arms smuggling through Slovenia; the temperature had risen, and the appearance of a considerable number of newspaper articles, which obviously, because they were backed up by intelligence sources close to the incumbent left-center coalition, were picking away at the involvement of important Slovene figures in dirty business, all of which increased the danger of someone discovering the Maribor connection and the arms smuggling.

If the 120 tons of illegally imported weapons had been discovered in some uncontrolled manner by someone else, Janez Jansa and his people in VOMA, who for two years now have been answering journalists' insinuations by saying that no trade existed, would probably have had a difficult time holding on to their positions. Thus, the Defense Ministry merely discovered a shipment which it had known about for at least half a year. At the same time, the discovery was used to compromise Silvo Komar, who was one of Milan Kucan's quite important intelligence informers. The idea was that the arrest of Komar would frighten and silence the other intelligence agents who had countered the offensive of the right-wing parties by exposing the blemishes of Jansa's ministry and of its military intelligence service.

The organization of the transfer of arms to Bosnian Muslims through the Maribor Airport, according to intelligence sources of MLADINA, lasted from September 1992 to February 1993. Ukrainian airplanes brought arms of East European origin to Slovenia camouflaged as humanitarian aid. The shipment was forwarded from the Maribor Airport to Bosnia by helicopter. The financier of the entire project was some rich Arab, who mostly paid for Slovene services with U.S. grain, which ended up in the government commodity reserves.

It is amazing that many European countries and their politicians were also involved in the operation in addition to the Arab financiers. Sources close to VOMA say that Hungary, Ukraine, Russia, Sudan, Croatia, and Austria knew of the arms trade, and on the documents it was also possible to decipher the signatures of the English ambassador in Slovenia and also Austrian Foreign Minister Alois Mock, who supposedly was in fact the main coordinator of the entire operation. As far as Slovenia is concerned, all the most important politicians knew about the project, and the National Security Council adopted a written decision allowing transit of arms across Slovenia.

The Defense Ministry obtained the arms under the supervision of Andrej Lovsin, while the Interior Ministry, which at that time was headed by Igor Bavcar, opened the borders. The Defense Ministry, the Interior Ministry, and the Foreign Ministry granted their consent for the transit of arms every time.

The arms convoys traveled across Slovenia in every possible way, including shipment through the port of Koper. But the deliveries were not without problems, because the Croatian Army looted most of the convoys almost completely before they ever reached the Muslim enclaves. That is why in September 1992, during a visit Alija Izetbegovic made to Slovene politicians, a new airlift was agreed on to the targets in Bosnia. Because the military air base at Cerklje was unusable because air guidance equipment had been moved away, Maribor was chosen as the transit airfield for the operation. On the Bosnian side, Hasan Cengic saw to security in the movement of the arms, and he was aided by Miro Predanic, an official in the Slovenian VIS. There were no problems until the situation in Bosnia became unsuitable for the transport of arms and until Minister Janez Jansa decided to initiate a new scandal in his well-known style so that he could use it in a showdown with his political opponents.

### High Commissions

One can only guess about the quantity of money which ended up in private pockets thanks to the little arms deal. The Maribor weekly 7D published a story a few weeks ago (leaked from intelligence sources) about a bagful of German marks which had been found in the attic of the Defense Ministry building by workers doing work on the wiring or plumbing. Andrej Lovsin, who heads the military intelligence service VOMA (which no one oversees as yet for the government), bears the nickname of "Mr. 6 Percent" in circles close to the government, which gives us an idea about the size of the commission which this gentleman allegedly sought during the arms trade. There is also some indication of the specific amounts involved in the datum, supplied to DNEVNIK of Ljubljana, that the last shipment of arms alone, which went by land over Slovenia (in 30-ton trailer-trucks), was worth about $200 million!

Out of the 27 queries related to involvement of Slovene Government agencies in arms smuggling which were put in parliament by deputies of the left-wing Amalgamated List, the Defense Ministry and Interior Ministry have answered only two, and that in the negative. Because of additional documents on the involvement of these bodies in arms smuggling, which will probably be published this coming week, these answers seem more than comical today. In the Slovene parliament, even Joze Pucnik, a member of Janez Jansa's party and one of the most outspoken advocates of Slovene independence, asked his colleagues in amazement "in what kind of country are we living" when it was possible to find such a quantity of arms in the second largest Slovene city and "no one seemed to care" (although Joze Pucnik made this statement in Serbian, there were no protests in the Chamber as there were at the time when Milan Aksentijevic was sitting in the benches)?

Joze Pucnik's question, following all the scandals which have continuously shaken the Slovene political scene, is more than appropriate. Let us only imagine that the JNA [Yugoslav People's Army] had carried out an operation similar to that of Jansa and Moris just two years ago, when KOS [counterintelligence service] had precise figures on smuggling of arms into Slovenia.

And now, just two years later, that same operation, only with ethnically suitable players in the main roles, has taken place quite differently.

After several critical sentences uttered in the newspapers and in the parliament—it all died down. The public and also the deputies calmly went off on vacation—and no one seemed to care.

### Foreign Ministry Disputes Kucan's Claims

*AU3108124593 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 30 Aug 93*

[Text] The Defense Ministry today responded to the claims made by President Kucan in Thursday's radio program Studio at 1700 in reply to a question whether the Slovene political leadership knew everything about the arms trade. In this program, President Kucan said, among other things, that, in their preparations for the plebiscite and independence, the state presidency, that is to say, the Defense Council, made a decision to arm Slovenia because of the possibility of war. The Defense Ministry was the authorized agency for the purchase of arms. When Croatia was attacked, they decided to help it with arms, with the explanation that helping Croatia was the best way of defending Slovenia. With a similar argument they helped Bosnia and gave it the arms the Yugoslav Army had left in Slovenia.

If anyone, individual or state institution, continued to purchase arms and resell them afterward, he was working without the presidency's, that is to say the Defense Council's, mandate, Kucan stressed. President Kucan was not informed of this, and he learned about the arms at Maribor airport from the media.

In today's statement the Defense Ministry argues that President Kucan's claims that the state presidency, that is to say, the Defense Council, in preparing for the plebiscite and independence passed a decision to arm Slovenia because of the possibility of war are definitely not correct and that it is not true that neither the presidency nor the Defense Concil ever received information about the realization of their earlier decisions concerning arms. The ministry explains that the first decision to purchase arms was made by the government in autumn 1990. Namely, the Slovene Presidency did not have such a mandate. The presidency was not informed about it for precautionary reasons, as President Kucan's lukewarm and untimely reaction on the occasion of the disarmament of the Slovene Territorial Defense in May 1990 has not been explained to this very date.

According to the available information, President Kucan was informed of the planned disarmament of the Territorial Defense well before the action actually began by what was at that time the State Security Service.

In February 1991 the Slovene Presidency requested a report on the purchase of arms, which the Defense Ministry prepared. Among other things, it could be clearly read in the report how many arms Slovenia had lost as a result of the Slovene Presidency's slow reaction in the disarmament of the Territorial Defense. As the Defense Ministry states, President Kucan proposed that this report not be sent anywhere officially, and that other presidency members not be bothered with it.

Regarding the issue of aid to Croatia and Bosnia-Herzegovina, the presidents and prime ministers of these two countries turned first to President Kucan as a matter of course. As the investigation of the illegal arms cache at Maribor airport has proved, Hasan Cengic was first received by Milan Kucan. The Defense Ministry did not procure for anyone the document signed on the occasion of the visit of Bosnia-Herzegovina Presidency member Fikret Abdic to Ljubljana last summer. Because this is a confidential document, the Ministry will press charges in accordance with the law .

### Smuggling Connections Viewed

*93BA1368C Zagreb DANAS in Serbo-Croatian 6 Aug 93 pp 24-25*

[Article by Vedran Masic: "I Have the Main Arms Smuggler"]

[Text] *Hasan Cengic, according to charges the top man in the affair, is still free and contends that those suspected thus far are innocent. If he knows who is innocent, then Cengic probably also knows who is involved in the arms trade.*

It was no longer an explosion with local consequences, to which the Slovenes have gradually grown accustomed (the affairs with VIS, HIT...). Its range was much broader. Ever since a large warehouse of weapons was discovered on 21 July at the Maribor airport, with 12 containers of arms (the fate of two others is unknown at present) worth 12 to 15 million German marks, these arms have been a media attraction on all the front pages of the Slovene press and in striking terms in political news broadcasts. The enigma, which was first accepted by Slovene investigators, was immediately addressed to Interpol as well, and the chain of names came to include gentlemen from Bosnia-Herzegovina (key person Hasan Cengic), Austria (Dieter Hofmann, who is in prison in Hungary under charges of espionage), and five Slovenes, four of whom are in custody with the other still at large.

The investigators have wisely, in accordance with the rudiments of their profession, remained silent, and the dust that is slowly settling is being raised only by Slovene party leaders. But they too have gone on vacation, so that it is expected that the affair will flare up again in the fall, when this story of arms should be completed or be filed as yet another unsolved case. But what if the words of the key person, Hasan Cengic—"It is not good for Slovenia either to concern itself with this affair" or "Some politicians there have apparently been talking too much"—are understood as a serious warning? Will new evidence be put forward, and will the arms mosaic ever be completed?

According to newspaper reports, it began like this. On 21 July, weapons were discovered in a hangar at the Maribor airport, about which it was determined that they were transported in as "humanitarian aid" by Ilyusina 76's and MI-26 helicopters during September and October of last year from Budapest. In the beginning—which is especially absurd—the Slovene Ministry of Defense, headed by Janez Jansa, played a very active role, while the Ministry of Internal Affairs was completely marginalized. Who bought them and for what, why did the 120 metric tons of weapons remain at the airport for so long, who all knew about them, and who all was involved in the affair?

### Controversial Hofmann

Jansa directs the blame even outside of his country, and the first denials came from Drug Impex, an Austrian firm that Jansa says is involved in the arms trade. The next to speak up were the Hungarians, who contend that the Hungarian-Ukrainian company Hungaria-Ukrainian Heavy Lift got work, as a transporter, from the Muslim organization Islamic Relief. Slovenes refute allegations by the Hungarian press that Drug Impex is a Slovene-Serbian company and that the weapons were intended for Serbs. Still, Dieter Hofmann has been in custody in Hungary since spring, under suspicion of mediating in the "sale" of state secrets.

This controversial Austrian, although he has no profession or job, has said that he receives a pension from an intelligence service, and he has been involved in various dubious transactions, for example in the smuggling of Czech pistols and Bulgarian sniper rifles. Last year he founded the Flying Tigers, a flying circus in which he employed Vietnam veterans. He was aided in his search for work by Austrian Chancellor Vranitzky, thanks to whom he also participated in rescuing children from occupied Sarajevo. But the aforementioned information is in fact all that has been learned about Hofmann thus far, aside from a few off-color stories. But his words, if he were to break silence, will be critical to solving the enigma.

Hasan Cengic, according to the charges the top man in this affair, is still free, although the Maribor examining magistrate has issued an arrest warrant. In an interview with journalists, Cengic had several interesting things to say. First, this well-known member of the radical faction of the SDA [Party of Democratic Action] headed by Alija Izetbegovic denied that this was a case of arms smuggling. "This was not smuggling, that is a false classification; this was something completely different," he said. His next statement resounded bombastically: "Those imprisoned and suspected thus far are completely innocent." If he knows who is innocent, then Cengic probably also knows who was involved in the arms trade. "I know," says Cengic, "but this is not the time to discuss that." He says that the affair has been blown out of proportion and that this is not a large quantity of arms. "Do you know how much this is in relation to the war? It is really a mere trifle."

### Why the Weapons Waited

Few journalists and commentators, even in the Slovene media, which are the most interested in the affair, are concerned with the question of the purpose of sending the arms to Bosnia-Herzegovina. After all, this is not the first time that Slovenia has been mentioned in connection with illegal arms trading. Many foreign publications have declared it the "Mecca for this business in the Balkans," but this time too everyone is wondering who is behind this smuggling and how much profit they are earning. Many weapons in the past have crossed the border of both Slovenia and Croatia bound for Bosnia-Herzegovina, so that the question arises of why they waited so long this time. Perhaps the answer can be found in the words of Slovene party leader Zmaga Jelincic, who says, "I am convinced that the weapons found at the Maribor airport date back to the time when Mr. Jansa, Mr. Bavcar, and Mr. Brejc were involved in their sale together. The weapons stayed at the airport for so long because the seller was too greedy."

However, one must bear in mind that Jelincic has repeatedly taken shots at the politicians in question, in part because he too was recently in hot water for a completely different affair—the Dossier affair, in which it was supposedly established that Jelincic worked for the UDBA [Yugoslav State Security Administration].

Whatever the case, despite the careful investigation time is clearly not on its side. This is not the first affair, but it has still not been learned who got money for participating in the arms trade, as well as where, when, and how much. It has not been unusual for journalists to move beyond official sources. For example, in some cases they have gotten their hands on the price lists of all sorts of arms that are sold illegally. They have published the prices too, from pistols to tanks. A journalist has also infiltrated the network of arms reselling. Admittedly, it appears that he only got as far as the first step, a Ljubljana intermediary, but even from that he learned some very interesting information.

### Delivery at Sea

For example, an Italian boss who buys and offers arms, guarantees his purchaser delivery at any point at sea.

However, the purchaser must first appear at "headquarters" with documentation confirming that he is authorized to acquire arms for the unknown buyer. Then, and this is the key to the enigma surrounding earnings in the arms trade, representatives of both the purchaser and the buyer travel to a Swiss bank. The money is paid immediately after it is confirmed that the goods have been delivered, which is established through a coded conversation. Thus, the secret about earnings remains confined to the safes of reliable Swiss banks.

But to return briefly to the Maribor case. If the key people—and for now they appear to be Cengic and Hofmann—do not appear before investigators there, and if these key people do not say anything more than what is already known, then it will be hard to clear up the affair. Perhaps this will influence events on the Slovene political scene and cost some high-ranking or lower-ranking official his position, but in that case this will be only an indirect result of the affair.

**[Box, p 25]**

### Who Is Hasan Cengic?

Much has been written in the press about Hasan Cengic, an SDA hard-liner and chief ideologist of the Zagreb Muslim lobby. It is known for sure that he is a person in whom Alija Izetbegovic has full confidence, dating back to the time when they were in prison together. According to information uncovered by the Croatian press, and from reliable sources close to the French and U.S. intelligence services, Hasan Cengic was the main advocate of the use of chemical weapons in the war in Bosnia-Herzegovina. Western intelligence sources allege that he was in fact the minister of defense in the shadow Bosnia-Herzegovina government. He has traveled a great deal back and forth between Sarajevo, Zagreb, and the Middle East, and he maintains extraordinary relations with certain fundamentalist and radical circles in Iraq, Syria, and Iran.

Recently, little attention was given to a report that Hasan Cengic, through his connections in the Middle East, had "made contact with representatives of the National Front for the Liberation of Palestine and with Dr. George Habash, one of the radical leaders of the Palestine Liberation Organization. During their last meeting, it was agreed that Habash would supply Bosnia-Herzegovina Muslims with 20 aerial bombs filled with chemical substances."

It is also interesting to note that Hasan Cengic's son-in-law is the former chairman of the SDA for Bihac Okrug, Irfan Ljublankic, also a hard-liner who tried to disrupt the good relations between Muslims and Croats in that region.

According to an article in the Slovene daily REPUBLIKA, after the Maribor examining magistrate issued the arrest warrant for Cengic, he told a journalist from VECER in Maribor: "Whose citizen am I even if Slovenia arrests me?"

## Federal

### UN Sanctions Committee Blocking Humanitarian Aid

*LD3108103693 Belgrade TANJUG in English 1009 GMT 31 Aug 93*

[Text] Belgrade, Aug 31 (TANJUG)—Three tons of humanitarian aid for Yugoslavia's orphans, sent by Nestle, has ended up in Peru because the U.N. sanctions committee would not permit food imports into Yugoslavia, says Milan Radojevic of the Belgrade orphanage.

Humanitarian aid is supposed to be exempted from sanctions clamped by the U.N. Security Council 15 months ago for Yugoslavia's alleged involvement in the civil war in neighbouring Bosnia-Herzegovina. However, each separate humanitarian shipment has to be approved by the sanctions committee.

In the past months, Yugoslav officials have had increasing cause to complain against the Security Council's extreme cruelty and violation of international conventions adopted by the United Nations.

"The U.N. committee ferrets out procedural loopholes even for medicine, whose import is not embargoed. Getting import permits takes forever," says Borislav Vukovic, who chairs the Yugoslav government's sanctions monitoring commision.

The U.N. committee "is doing everything for humanitarian shipments sent by Yugoslav emigrants to be delayed at border crossings as long as possible," says Rade Dubajic of the Yugoslav Red Cross.

Individual states are also refusing, complicating and in every way making difficult humanitarian deliveries to Yugoslavia.

TANJUG learns at the orphanage that Italians had sent a shipment of children's food to Belgrade a month ago, but Austrian authorities had refused to let it through their territory, so it was turned back.

In mid-August, Hungarian authorities stopped a humanitarian shipment of 17 tons of medicine collected and sent by Serbs in the diaspora.

Yugoslavia has not managed to obtain permission for the humanitarian import of a single ton of heating fuel for nurseries, schools and hospitals, despite the federal government's repeated appeals. Last year, inadequate heating caused by fuel restrictions hurt a number of ill and old people and children.

### Simic Discusses Sanctions With Bulgarian Official

*LD3008181993 Belgrade TANJUG in English 1649 GMT 30 Aug 93*

["Pool" item]

[Text] Belgrade, August 30 (TANJUG)—Balkan countries should launch an initiative for lifting the sanctions against the Federal Republic of Yugoslavia because all countries in the region are affected by them, Yugoslav Deputy Prime Minister Zeljko Simic said during talks with Bulgarian Deputy Foreign Minister Dimitar Ikonomov on Monday. The entire Balkan region has become politically and strategically very unstable as a result of the sanctions, said Simic.

The sanctions, which were imposed against the Federal Republic of Yugoslavia in May last year because of its alleged aggression against the former Yugoslav Republic of Bosnia-Herzegovina and which, in fact, are completely groundless, is a tacit aggression against the citizens of Yugoslavia and all neighbouring countries, said Simic.

During talks with Yugoslav Deputy Foreign Minister Radoslav Bulajic, Ikonomov said that the sanctions should be lifted or alleviated as soon as possible because Bulgaria had so far suffered a 3.8-billion-dollar loss as a result of the trade embargo.

Bulgaria urges a political settlement of the Bosnian conflict and opposes any use of force, the press office of the Yugoslav Foreign Ministry quoted Ikonomov as saying.

Ikonomov and Yugoslav officials also discussed the Bulgarian minority's position in the Federal Republic of Yugoslavia. The Bulgarian minority should be a bridge for cooperation between the two states within the framework of Yugoslav laws and loyal citizens of the Federal Republic of Yugoslavia.

### Severe Drought Threatens 'Shattered' Economy

*LD3108091593 Belgrade TANJUG in English 0850 GMT 31 Aug 93*

[Text] Belgrade, Aug 31 (TANJUG)—Yugoslavia (Serbia/Montenegro) has been hit by a drought unprecedented since 1920, which threatens to make havoc of the nation's sanctions-shattered economy. Experts estimate that the situation this year is worse than it was last year, when the country was ravaged by a drought of the proportions of an elemental disaster, which caused damage in excess of three billion dollars.

Some areas in the southern province of Kosovo-Metohija have not had a drop of rain for three months, which is expected to slash 60 percent off the crop. Most of Serbia experienced some rainfall on the weekend, but not Kosovo-Metohija, where the problem of drinking water is becoming acute.

In August, Serbia's two biggest rivers—the Sava and the Velika Morava—were at their lowest this century. In the December-to-July perid, eastern and southeastern Serbia, as well as most of Montenegro, had barely one-half of the rainfall usual for the period, the national weather office said.

The consequences may well prove disastrous for the people, because the poor harvest cannot be supplemented from import, so that a section of the urban population is already living on the brink of starvation.

Yugoslavia has been under severe economic and political sanctions for the past 15 months, clamped by the U.N. Security Council for the country's alleged involvement in the ethnic and religious war being waged by the Moslems, Serbs and Croats in neighbouring Bosnia-Herzegovina.

All of southeastern and central Europe has been experiencing droughty weather, according to the the global weather office. In the July-to-May period, Greece, Yugoslavia, western Bulgaria and Romania, Hungary, Austria, the Czech Republic and parts of Germany and Poland registered seriously insufficient rainfall. Experts fear that the long, hot summers will prevail in the region for decades to come.

### Inflation Reaches 32-Million-Percent Mark

*AU3008145793 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 30 Aug 93*

[Text] Prices in August are 1,880 percent higher than in July. Since August last year, inflation has risen to 32 million percent. This was stated by representatives of the Federal Institute for Statistics in the halls of government today. Slavisa Stojkovic reports:

[Begin Stojkovic recording] Even the journalists who have been dealing with the subjects of prices and market for a long time were shocked to hear these figures at the news conference today. No one expected inflation in August to jump 1,880 percent after the July inflation of 431 percent. We have unofficially learned that the hitherto absolute record held by Germany in 1923 is on the way to be smashed. Judging by everything, the current price trends will be recorded in the history of the civilization of the planet Earth.

This is confirmed by the fact that if the prices continue to rise in the next 11 months as they did in August, then we would have an annual inflation of 366 million billion percent. This figure is written with 18 digits. The consolation is that the Institute for Statistics calculated these figures before the federal and republican government measures on freezing and lowering of prices came into effect.

Therefore, more realistic figures could be expected in September, provided that goods with lower prices can be found on the market, since the prices of articles not available on the market are not used for any calculations. [end recording]

### Increases Announced for Aug

*LD3008132893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1204 GMT 30 Aug 93*

[Excerpts] Belgrade, 30 Aug (TANJUG)—In comparison with July, retail prices in August went up by 1,880.6 percent, said Mirjana Rankovic, assistant director general of the Federal Statistics Institute, at a news conference today. [passage omitted]

Daily inflation in August was 10.11 percent. In comparison with last December, which is used as a basis for calculating the inflation, the inflation increased by 65,370 times in the course of 1993. If retail prices continue to rise at the average rate recorded in the past eight months, Mirjana Rancic said, Yugoslavs will see in the new year of 1994 with an inflation rate of 1,671,000,000 percent.

Mathematic calculations are even worse. If, by any chance, in the next 11 months the August rate of price hikes continues, inflation would reach the fantastic figure of 360 million billion percent [360 miliona milijardi procenata]. [passage omitted]

### Bankers, Businessmen on Economic Chaos

*93BA1371C Belgrade POLITIKA in Serbo-Croatian 5 Aug 93 p 9*

[Article by S. Bogdanovic and A. Apostolovski: "Businessmen on Economic Chaos: Governments Making Wrong Moves"]

[Text] *The federal and republican governments have proven incapable of rescuing production and protecting the citizens; finding a legal and economic system that will function under sanction conditions; lack of responsibility in commerce and banking; Albanians are best supplied.*

The federal government of Prime Minister Radoje Kontic probably had good intentions with its latest package of measures: to introduce order on the market and to help the impoverished citizenry to survive. But according to businessmen who met on three committees yesterday at the Economic Chamber of Yugoslavia [PKJ], we ourselves have been witnesses to how these measures have caused monetary chaos, general price rampages, an increase in the number of resellers, a flourishing of the black market and smuggling, in addition to visible consequences—the emptying of shops and stores, but also an almost complete halt to production.

The Committee for the Economic System, Economic Policy, and Development raised the question at its meeting yesterday of what action makes sense in this situation. Since in the opinion of committee members the sanctions will most likely not be lifted by the end of this year, a legal and economic system should be drawn up that will function and be valid during the sanctions because, as Prof. Mirko Vasiljevic emphasized, responsible institutions are behaving in accordance with the popular expression "the house is on fire, but grandma is combing her hair," or to be more precise, life is functioning through entirely different channels than those intended by the creators of the economic system.

### State Must Be Partner

The most important thing heard at yesterday's meeting was that the federal government must define the key priorities for the survival of society that will offer support, including prime issue, subsidies, and premiums. The businessmen believe that the government must gain insight as quickly as possible into the existing quantities of strategically important products and on that basis introduce order to prices on the market so that 15 liters of milk do not cost the same as one liter of mineral water or one "Zastava" bullet does not cost the same as six liters of gasoline. Because, as Bozidar Djelovic of the PKB [Economic Chamber of Belgrade] stressed, that combine is losing 78,000 German marks a day on milk alone because of the general lack of responsibility. Even if it places restrictions on the price of certain important articles, the state should at the same time become a partner to the producers of vital goods, as is customary elsewhere in the world, and this partnership should not be in name only, but rather should be reflected in the awarding of premiums and subsidies.

It was also said that the state apparently lacks an adequate social program because impoverished firms cannot care for impoverished workers, while apparently this does not even occur to the state. Welfare considerations need to be removed from factory circles.

One of the conclusions from this meeting could be found in the words of Bojan Zobec of "Sartid" in Smederevo, who said that "today anyone who wants to do business legally can freely shut down his firm."

Nearly all the members of the PKJ's Committee for Commerce had the latest issue of SLUZBENI LIST in their hands at yesterday's meeting, containing, as they said, "unrealistic and irritating decisions" on controlling the prices of basic products.

### Goods for Foreign Exchange Too

Luka Mackic, the director of the "Belgrade" Department Store, proposed that all those who are not involved in this branch be eliminated from the commercial sphere—illegal firms that turn over goods—and also that the exchange of goods between enterprises be controlled. Trade unions should also be prohibited from engaging in commerce. In the monetary sphere, credit potential should be directed toward production, but not for it to cover its workers' wages while spooning out goods for commerce. Mackic emphasized that it should also be possible to sell goods of both foreign and domestic origin for foreign exchange, because in that case there would be television sets, air conditioners, and refrigerators in the stores, while part of the foreign exchange earnings would be relinquished to the NBJ [National Bank of Yugoslavia] and part to the suppliers.

Zoran Jokic of the "Luks" social enterprise in Kosovska Mitrovica, complained about the discrimination that is prevalent in the commercial sphere in this province of ours.

### Milk on the Black Market

"All the stores in the hands of Albanians are better supplied than any in Belgrade. They feel no obligation toward the state or any institution, they pay out nothing to anyone, while on the other hand they have their own funds, police, supply channels, and foreign exchange with which they can acquire anything. That is why in Kosovska Mitrovica," Jokic said, "milk can even be bought on the street. I was recently told by a business partner from Kragujevac that only Albanians can get at his goods, not Serbs! This is because the Albanians pay for goods with foreign exchange."

The essence of the problem that is squeezing commerce was best explained at yesterday's PKJ meeting by Petar Lulevic of "Trgopromet" in Kraljevo, who at the beginning of his talk expressed his disappointment at the fact that businessmen have long been "talking at cross-purposes" with the state, and at the fact that the meeting was not attended by anyone from the government, from the chamber, or from the competent ministry.

At yesterday's meeting of the PKJ Committee for Banking and Financial Affairs, most of the talk centered on prime issue and the problem of what to do with this money.

Dr. Djordje Djukic warned that nowhere in the world is prime issue, or rather reserve money, used to stimulate production, consumption, and so on, and that its effects are seen primarily in the form of hyperinflation.

The general director of "Union Bank," Dragoljub Vukosavljevic, emphasized that "our economists must seek original solutions for emerging from the crisis without relying on the foreign experiences of developed countries that have never been under a nearly hermetic blockade, burdened by a refugee mass of half a million people, with war on their border and production shutting down."

All in all, businessmen are angry about the current moves by both the federal and republican governments because they have proven to be inappropriate and inapplicable under the difficult conditions in which our country finds itself, and the people making such decisions are obviously incapable of even mitigating the blows of the crisis that we have sustained.

## State 'Plundered' Citizens of $15 Billion

*93BA1379C Belgrade VREME in Serbo-Croatian 9 Aug 93 pp 28-29*

[Article by Dimitrije Boarov: "The Government's Shell Game"]

[Text] The temporary blocking of accounts of Interplast Trejd Bank and the opening of bankruptcy proceedings against Jugoskandik Savings Bank signaled the intention of the monetary authorities to finally put a stop to the "laundering of money" and to begin "washing hands" that have been plunged deep into a series of major government financial deceptions. Instead of stopping the "government shell game," because the government has always known quite well under which "black box" the public put its money, and always pretended to be clumsy when the money disappeared, the central bank is now putting a stop to private banking—that banking, it appears, which is not willing to pay "government kickbacks."

### Savings Depositors

The real story about the dirty game with money under the guise of "introducing" a market economy into socialist Yugoslavia began back in 1964, as a prelude to the famous economic reform. The financial laws were amended that year, and real money was granted access into the domestic economy—foreign exchange. Foreign exchange accounts were incorporated into domestic legislation, and what is today called "old foreign exchange savings" began. Over the 14 years that followed, that is, up until 1978, $5.2 billion went into these foreign exchange accounts. Put more precisely, that is the amount at that moment that the commercial banks owed individuals who had foreign exchange passbooks, but they were not able to "service" that debt, because they spent the money taken in to pay off the economy's external debts. A "solution worthy of Solomon" was found, and that debt of the banks to the public was "deposited" in the National Bank of Yugoslavia [NBJ], so that it, when the federation again borrowed abroad, would pay what each had distributed to its own. In formal law, the banks transferred the foreign exchange of individuals into the central bank, but in actuality they did not transfer anything except the "hard" debt, which steadily increased as foreign exchange interest "accrued."

For example, between 1978 and 1991 the National Bank of Yugoslavia "owed" individuals $12.2 billion, but it had effectively received from the commercial banks only $1.7 billion. It was actually back then that the formula of "Jezda and Dafina" was invented complete with the enticement of customers with attractive rates of interest and maintenance of an appearance of liquidity thanks to new savings depositors. Of the total growth of foreign exchange savings between 1987 and 1991, amounting to $7 billion, more than $5 billion represented "accrued" foreign exchange interest. Even the highly profitable Japanese economy could not have paid such interest. That fact also partly explains the "collapse" of old foreign exchange savings, especially when it was compounded by the consequences of the risky operation of rescuing the entire savings mechanism in Yugoslavia, which was undertaken by the government of Ante Markovic within the framework of the policy of the convertible dinar.

What else could Ante Markovic have done at the end of a 15-year period in which the net outflow of finance capital was $45 billion, all of $18 billion of which was paid solely for interest? All he could try to do was to sell the "sound dinar" to world financiers. Yugoslavs, of course, hurried to convert that "sound dinar" to "foreign exchange savings" at bank windows in the country, and during 1990 the mechanism functioned well. It had a defect like any "risky structure"—it was founded on trust in an orientation and in the individual who symbolized it.

### The Loan

When the public realized in the fall of 1990 that it was all over for Yugoslavia and all over for Markovic and all over for his "orientation toward the West," they rushed to bank windows. That October, and that is the key month, savings depositors withdrew $695 million more than they deposited in their accounts. The end came quickly, in the days that followed only the mafiosi from the very top government leadership and "bank sponsors" managed to draw anything more from their accounts in foreign currency. For all practical purposes, the commercial banks closed their foreign exchange windows in late 1990, and the National Bank of Yugoslavia was left "owing" more than $11 billion.

But in 1988 it seemed to the new political team in Serbia, headed by Slobodan Milosevic, that they had been tardy and had not taken enough from the dying federal treasury, and they had ambitious "historic" plans. That is why in early 1989, in honor of the 600th anniversary of the Battle of Kosovo, the famous national loan was floated "for the rebirth of Serbia." Someone erroneously told Milosevic, the "successful banker," that as much as $1 billion could easily be collected from Serbian patriots all over the world, and that ethnically awakened Serbs here could gather 2 billion dinars (that would have brought about the monetary unification of all Serbs in the world before their geographic unification).

That popular loan turned out to be a great fiasco. Only 2 percent of the foreign exchange portion is said to have been collected ($20 million), and the "transformation" in the dinar segment was eaten up by inflation, because people were slow to pay in what they had "pledged."

The public never learns. After these great collapses, this was first realized by certain enterprising people who quickly became rich at the expense of the bad reputation of the old commercial banks. That is how the era of the private banks and savings banks, headed by the now notorious couple—Jezda and Dafina, began. Because the old ruined foreign exchange savings functioned on the principle of twice the rates of the outside world per annum (8-10 percent), and the risk later increased 10-fold because of the "Serbian law-governed state," they simply started the "chain of fortune" with interest as high as 15 percent per month. People rushed to the bank windows.

Who in the superstructure of the government dares to say today that he did not know who Jezda and the others were and is it really only a coincidence that in precisely that notorious "black October of 1991," when "old foreign exchange savings" exploded, that Dafiment Bank D.D. [joint-stock company] was registered in the Economic Court in Belgrade (on 9 October)? In any case, the last attempt of any current in the monetary authority to stop the "Operation Jezda and Dafina" was made in April 1992, when the NBJ Board of Governors revoked the operating permit from Dafiment Bank and Jugoskandik. The board adopted that decision on 9 April, but it soon took its hands off those banks, because someone "smarter" noted that on 6 April a civil war in Sarajevo had definitively taken over "center stage." Thus began a new round of "redistribution" in the interest of the government, i.e., in the interest of the "patriotic lobby."

### Nervousness

It is difficult at this point to present an accurate estimate of what the public of this country lost in the more than 1,000 banks and savings banks—and whether what most of these "money shops" owe them is really lost once and for all. The first estimates range at the level of about $2 billion (Dafina alone is said to owe more than 2.4 billion marks, and Jezda about 350 million). Government agencies are still not issuing figures, and Governor Borislav Atanackovic is not calling any news conference to explain exactly what the monetary authority knows about the business operation of the key "quasi-governmental" national and private banks.

All in all, it would be easy to say that the citizens of Yugoslavia were "plundered" of about $15 billion over the last 10 years or so, if it were not obvious that the scale of the total robbery, that is, including what did not go through bank windows, is incomparably greater. Calculate the loss to that individual who put his foreign currency in government banks, did not make a time deposit, did not withdraw the deposit at the right time, and then built a weekend cottage on the Croatian part of the Adriatic coast, and bought a socialized apartment in the first round, and subscribed to the loan for the rebirth of Serbia, and then gave his money to Jezda and Dafina for saving, and now he is retired. The belligerent elite which is now calling for the ball to be returned to the earth and to "legalize" what has been stolen arose through the robbery of that unfortunate person. But those who have lost a great deal usually demand very nervously that the game continue.

## Bank Governor's 'Suicidal' Policy Attacked

*93BA1368A Belgrade VREME in Serbo-Croatian 2 Aug 93 pp 16-18*

[Article by Dimitrije Boarov: "New Governor's Start: Drunken Monetary Night"]

[Text] *How Borislav Atanackovic admitted that foreign currency on the street is good.*

"We will provide so much cash that we will convince this nation that this cash means nothing if there is no accumulation," was the key message by Dr. Borislav Atanackovic at his promotional and scandalous news conference on 28 July.

It is truly incredible that despite the hyperinflationary typhoon the new governor would demonstrate malice toward the people and announce a suicidal policy of proving that the dinar today is worthless. As if the people do not know that the basic function of the dinar coupons is to scoop up as much as possible of the remaining street foreign exchange and buy up whatever goods are left over at the finish line of the hyperinflationary redistribution—to provide for the day when no one accepts the dinar any longer. Never mind the more serious analysis of this message, which in a certain theoretical sense "abolishes" the entire deposit function of banking, and even banks themselves—projecting them as mere teller windows for the central bank.

With congenial openness, the new governor, Dr. Atanackovic, has shown at the very outset that his 40 years of experience as a socialist banker cannot make up for the painful lack of elementary knowledge of the function of the central bank, its refined monetary mechanism, and its delicate responsibility for monetary authority. The central bank is not a "large-scale bank." Even after Dr. Atanackovic's first emergence onto the big scene, it became clear to everyone that the debate over "Friedmanism" or "Keynesianism" was finally over, because apparently "Atanackovicism" had definitively won out.

### "Raw Style"

Although some contend that it is completely logical that the "biggest Serbian dealer" be appointed to the post of Yugoslav governor, it is not logical, but rather comical, when Dr. Atanackovic announces before a television audience that he saw the new 50 million dinar bill for the first time when he was "dealing" ("... I am astounded that I did not see that bill in my pocket as governor until after I had gotten one from someone who could be called a dealer").

It is not important whether the new governor summoned up courage before facing journalists for the first time with some sort of "fury," but the fury that he did show toward journalists who write critically about the "grave diggers of money" struck this news conference as anachronistic arrogance ("Not one journalist who writes anything against the state will ever be present at the NB [National Bank]"). This "raw style" itself should not bother anyone, but it is unusual for the new governor, bound to independence and impartiality by a new law on the central bank, to declare at the very outset that he "does not like" Studio B and BORBA.

Those familiar with modern Serbian financial history say that back in 1988 Slobodan Milosevic moved his financial power headquarters to the office of the governor of the National Bank of Serbia, Dr. Borislav Atanackovic, and that from that moment on the Serbian Government imposed its will on all of Serbian financial policy, and then executed it. That is why in 1990, when Atanackovic had completed his four-year term and was also eligible for retirement, there were not many people who asked whether this aging specialist in short-term credit (born in 1932) would continue at his job. Still, it is a surprise that today he has advanced to the central bank with the task of turning it into a central investment institution and the main stick for disciplining those who do not adhere to the cost principle in setting prices (the late Yugoslav economist Dr. Marjan Korosic once said that wherever the cost principle is in force there is no market economy, or any economy in general).

### Ties to Dafina

Although he was active behind the scenes before assuming the post of FRY [Federal Republic of Yugoslavia] governor, Dr. Atanackovic had already been dubbed "gray eminence, gray deals." It is an exaggeration to say that he is the author of the famous Serbian raid on the Yugoslav monetary system, when Belgrade banks illegally withdrew dinars worth $1.5 billion (at the end of 1990) from their mandatory reserves, but it is confirmed that he "covered" the operation. Since that time, he has continuously directed the issue of dinars, so that it is no wonder that even Dr. Slobodan Komazec said upon Atanackovic's assumption of "new duties" that "its is obvious that the man in that post cannot help but bear a large share of responsibility and blame for the debacle in the monetary sphere" (after speaking in INTERVJU about the responsibilities of the federal and republican governors, Komazec stressed his point when he asked, "Can a person or team that has led to this sort of situation be a sure guarantee that it will offer an exit visa from this crisis?").

In the distorted personnel logic, Dr. Atanackovic was perhaps forced to accept the post of Yugoslav governor in order to "complete" his unclear ties with Dafiment Bank. The Serbian radicals have already come forward with certain documents that allegedly show that Dr. Atanackovic's son received a loan of 700,000 German marks from Dafina. Dr. Atanackovic has denied the allegation, but to this day he has yet to disclose with what funds and in what amount he ran to "Dafiment Bank" several months ago when there was a sparse announcement that a loan to that bank had been approved under market conditions and with sure mortgage security. Now Governor Atanackovic is announcing strict controls over the operation and closing of savings banks, as well as the expulsion and arrest of street dealers. On 29 July, the legal deadline passed by which time the NBJ [National Bank of Yugoslavia] governor was obligated to decide whether to launch bankruptcy proceedings or accept the reorganization plan for "Dafiment Bank," relating to the petition submitted on 29 April by attorney Milenko Radic on behalf of injured depositors. As long as Dr. Atanackovic is in the post of governor, it appears that the "kabuki theater" with Dafina and the political leadership in the lead roles will continue (this is a type of Japanese theater with basic scenarios that have remained unchanged for centuries).

### Production of Nothing

In conclusion, we must return once again to the basic, first message of the new governor, Dr. Borislav Atanackovic. He promised the citizens that cash would be printed and that he will cut off money from the economy if the current exchange rate is built into prices, but "finally" he announced public works. In practice, it is unclear how the "redistribution of nothing" will be carried out, so that public works simply mean that money will be printed even faster. Now, however, the simple question is whether that is even possible any longer.

According to figures recently put forward by Dr. Vojin Bjelica, the growth of prime issue in the second quarter of this year came to 60 trillion dinars, while demands for "fresh money" during the third quarter are "3 million thousand billion." Of the 300 trillion dinars printed this year, the NBJ says, 181 trillion was shipped out during 20 days in July alone. The central bank has already proven capable of "producing" 60 trillion dinars a day, but this damned nation has not yet realized that these dinars "mean nothing." In the present-day monetary "duck's school," only the "old drake" has not realized anything yet.

## Questions on Government Minimum-Salary Decision

*93BA1367H Belgrade POLITIKA in Serbo-Croatian 1 Aug 93 p 8*

[Article by Radovan Lazarevic: "Everyone Is Still Not Going To Be a Billionaire"]

[Text] Under an agreement among the Government of Serbia, the Chamber of Commerce, and the trade union, the minimum July salary in Serbia will be 1,043,000,000 dinars, that is, almost 12-fold greater than the June minimum. We have thus again become a country of billionaires, but, unfortunately, very poor ones.

Establishment of the amount of the minimum pay has evoked numerous questions, among them how to furnish the money for such large salaries, and what role the announced minimum pay could play on the eve of the planned general strike in Serbia. It is unclear where the army of workers who are moonlighting for private employers fit in the current pay policy, whether various kinds of social welfare payments will be able to keep up with this rise of the minimum pay, that is, will not those fortunate ones who receive the minimum pay be in an incomparably more favorable position than the army of employed and unemployed who can only dream about such earnings?

### A Heavy Weight Around the Government's Neck

The first dilemma is resolved by Scepan Vukojica, secretary of the Commission for Aspects of the System of the Serbian Trade Union and a participant in the negotiations concerning the minimum pay. As he interprets it, the money to cover minimum pay in this large amount should come mainly through the sale of goods and services whose prices in the meantime have "inflated" even much more than the minimum pay. In other words, prices are pulling salaries, although there is a fear, especially in recent weeks, that prices will nevertheless "break loose" and leave salaries behind never to catch up again.

Jovan Zebic, federal deputy prime minister, confirms that the amount of the minimum pay that has been set does indeed give relevance to the status of all those who are moonlighting and then that of pensioners and especially that numerous group living on various types of social benefits, and in speaking about the additional measures of economic policy, he also said:

"Welfare payments for workers on paid leave because of the sanctions should be reduced. Firms have to identify redundant employees and afford the possibility of retraining and provide also the necessary financial aid for self-employment in small business or by organizing purchases of facilities that are not being used. Provision is also made for reducing the influx of new pensioners by eliminating the possibility of purchasing pensionable service. The highest pensions would be at the level of 50 percent of the lowest net pay in the country, and the spread of the pensions would correspond to the spread of salaries."

Zebic mentioned that already about 1.2 million pensioners, plus 18,000 pensioners who qualified for pensions in other republics of the former SFRY [Socialist Federal Republic of Yugoslavia], then about 9,000 pensioners from the Srpska republic, and then about 60,000 pensioners who have qualified for pensions abroad are "at the door" of an exhausted economy and also government (what the economy cannot do can be done by primary issue, but only to a certain point). Then there are about 80,000 people who enjoy rights from welfare for disabled veterans, then about 170,000 of those who are receiving material support, and finally about 700,000 refugees from regions of the former SFRY who were caught by the war.

That entire army of 2 million that is no longer engaged in gainful employment, if circumstances were normal, would have to be covered by the economy. But because our economy is sinking deeper and deeper, because the social product is melting away like ice in the sun, it takes no particular perspicacity to conclude that the economy cannot carry such a burden. It is already so weak that it cannot even carry its own weight. So, no matter where you turn, all hope is still put in the printing plant in Topcider. Presumably, they have enough paper, ink, and—spare parts.

**The Topcider Painkiller**

The authorities will unavoidably have to face the dilemma: either continue and even increase the printing of money or face the hundreds of thousands of hungry mouths. More precisely, facing the army of the hungry is inevitable; the only question is to what point this face-to-face meeting can be postponed by printing money. Certainly not for long. It is in that light, it seems, that we should look on the established amount of the July minimum pay. It is like a painkiller: It cuts the pain, but it does not treat the disease.

But the coin would not be a coin if it did not have another side. On the opposite side from the army of those who are worried about a crust of bread, trusting that they will soon have the agreed minimum pay in their pocket, there is the young Yugobourgeoisie that has just matured and which even under these dramatic conditions is moving onto the social scene with pomp. No solid sociological study has yet been done on which social groups are the source and in what ways it is reproduced, but it is firmly striding over the rotten boards of our social stage, no doubt about it.

This year, for example, Sveti Stefan, in spite of the exorbitant prices, has been full all the while. There are hardly any foreigners among the guests. Nor have the other luxury hotels on the Montenegrin coast been complaining of a lack of business, neither the elite Putnik Club on Kopaonik nor Palisad on Zlatibor.... The Yugoslavs, not, of course, those longing for the minimum pay, are to be seen this summer on the Greek coast, in Malta, at Bali, they are cruising Russian rivers, several hundreds have even gone to Spain.... It is estimated that this summer, and you know the prices already, about 800,000 Yugoslavs will be vacationing somewhere at the seaside or in the mountains.

That is precisely the stratum which is a kind of counterbalance to those (about 2 million) who have good reason to be afraid that they will go hungry (some are already hungry). In this country, in which everything is on weak legs, uncertain and shaky, it is only those two social strata, we would say, that are stable. They are becoming our reality.

## Price Freeze To Increase Protests

*93BA1339B Belgrade VREME in Serbo-Croatian 26 Jul 93 p 15*

[Article by D. Boarov: "Freezing the Peasants"]

[Text] The announced freeze on the prices of food and energy, allegedly for four months, can only spread the series of protests already rising in Vojvodina over the purchase of grain. That was also perceived by the Vojvodina Radicals, and so we have heard that they are actually the ones organizing the blockades of highways that have become everyday occurrences in Srem and Backa. On 21 July, an organizational committee was even formed in Novi Sad for blockading transportation routes, silos, and food and agricultural facilities (they announced a general blockade of transportation in Vojvodina on Monday), which is still seeking a protective price of 0.25 German marks per kilogram of wheat. One member of this committee says that the peasants will not allow their prices to be frozen, and the authorities are buying all the food by printing 60,000 billion dinars a day.

In addition to the Radicals, the Socialists in Vojvodina also felt that the dissatisfaction was such that they also had to attack loudly both the federal government and even the Serbian Government. Foremost in this are Vojvodina Assembly President Dr. Milutin Stojkovic, who stated unambiguously "that the Serbian state should not have tricked the peasants like this," since "through the destruction of the peasants, the state is destroyed."

"We are not seeking what belongs to other people; we want what belongs to us, and the government should keep its promise," said a sign displayed on the first of 10 tractors that crossed Srbobran in a protest column on 20 July, and blocked the old Subotica highway.

The peasants are not only blocking roads, but also refusing en masse to accept dinars for wheat already sold, and so invoices for about 200,000 metric tons (half of the Vojvodina purchase) have been withdrawn. Suddenly, there was also a drastic decline in the supply of fattened animals—by about 40 percent. Even in Novi Sad, with private butchers, purchases have to be announced and pork chops reserved. The milk supply has declined by 70 percent in Sajkaska. The Serbian ministry also noticed that during the first half of the year the price of milk was increased by only 10,395 percent, while the general growth of prices was 56,170 percent. That is why the retail price of 2.9 million dinars per liter of milk has now been approved; according to the latest official exchange rate, that is only 35 pfennigs.

The collapse of the "harvest policy" is particularly disturbing sugar and oil producers. Although only 45,000 hectares were sown with sugar beets last year in Yugoslavia, instead of the usual 90,000, the factories are already reporting with anxiety that investments per hectare now amount to about 1,700 marks. Even if only a million and a half tons of beets are raised, from which about 200,000 tons of sugar can be produced (half of consumption), no one sees how the purchase can be financed, especially if sugar prices are frozen, even at 10,000,000 dinars, which is being mentioned now.

Since oil was also in the basket of prices theoretically being adjusted once a month, the price of a liter is now at an absurd 1.2 million dinars. Even if that price is raised to 14 million dinars before the freeze (as the producers are demanding), it is too late to gather money for the purchase, which will cost about 200 million marks. The price of sunflower seeds will probably be low, because allegedly the oil factories still have about 70,000 tons from last year's crop, and exports of oil were not permitted. The paradox is that even the possibly frozen price (14 million dinars, for example) contains more storage charges and losses than income for peasants.

To make the confusion complete, the Serbian control and freeze package was actually announced in Vojvodina. Back on 7 July, Bosko Perosevic, Vojvodina prime minister, said that "during the next month, shock therapy measures have to be adopted, in all spheres." He then announced that "they should last at least a year or two, since profiteers whose only goal is to fill their own pockets are hiding behind the so-called market economy." The panic that is seizing the very top of the Serbian apparatus is also revealed by Bosko Perosevic's point: "It really does not matter whether one calls this a state command economy or some other type of economy." It really does not matter what this state command economy is called, although it is simplest to call things by their right names.

## Military Threatens To Create 'European Vietnam'

*93BA1391E Belgrade POLITIKA in Serbo-Croatian 14 Aug 93 p 2*

[Article by Miroslav Lazanski: "Recall Vietnam"]

[Text] No one starts a war, or, better put, no one should do so with a clear conscience, without first having a clear idea about what he intends to achieve by that war and how he intends to wage it and end it—this is one of the basic postulates of military science; just as there is an objective of war and an objective in war. While, judging by the news from the world capitals, the sand in the hourglass is slowly sifting down for the decision that NATO will bomb certain targets in Bosnia, and the Serbian troops are nevertheless gradually evacuating Igman, Alija Izetbegovic continues to block the negotiations in Geneva.

At the same time, we are witnesses of television scenes in which Manfred Werner, general secretary of NATO, is absolutely grinning with joy that bomber squadrons at the Aviano base are ready for action, distinguished columnists of THE WASHINGTON POST and THE NEW YORK TIMES are boiling with impatience for the operation of bombing the Serbs to just begin, and even Pope Wojtyla is supporting the "mission of mercy."... Hysteria and confusion are again reaching a state of climax, and Butrus Butrus-Ghali, UN general secretary, has found himself in a very dangerous temptation: Is he going to be responsible for the collapse of the peacekeeping operation of the United Nations on the territory of the former Yugoslavia? After all, if NATO planes make attacks on positions of the Bosnian Serbs, the war inevitably widens, the forces of the UNPROFOR [UN Protection Forces] become a belligerent toward which everyone can direct his fire. At the same time, even Croatia is very probably undertaking broader war operations against Krajina, which again raises the possibility of others entering the war.

Regardless of whether the NATO planes go into action with a "limited" or "broadened" objective, regardless of whether this perhaps might be only firing on Serbian targets around Sarajevo, or in other areas, that one action will provoke the Muslim side to exploit militarily the air strikes against the Serbs in Bosnia as soon as possible. This means that Muslim units would probably attempt immediately a strong offensive in strategic directions, but forces of the HVO [Croatian Defense Council] would probably do that as well, because there is a need to take advantage of the "mess."

The first very serious signal to the Serbian side in Bosnia that its positions are just about to be bombed will be the grouping of UNPROFOR units in camps and bases, their circular defense, and the retreat of Muslim troops from forward positions of the Serbian Army. In that case, the formula for the Serbian Army is very simple: They should "adhere" as closely as possible to the forces of the UNPROFOR and approach as close as possible the positions of the Muslim units, they should avoid any major grouping of their own troops, they should use camouflage to the maximum, they should disperse their mechanized armor and be on maximum alert from 1200 hours to 0500 hours, because that is the time when the Western planes usually attack. Of course, they should pay attention in good time to all the "guests" who are present on the terrain and who at a given moment could guide the missiles and bombs from the airplanes to ground targets by laser. This laser guidance is possible, but not over great distances, and that is why they must pay attention in good time to all those who are present in zones with military facilities vital to the Serbian side.

Because military experts in the West are not amateurs and leave nothing to chance, it can be said with a great dose of probability that Bosnia was given excellent intelligence coverage long ago from the standpoint of the West, and that in the ravines of the former Bosnia and Herzegovina there are various special units of Western armies, whether they are camouflaged as various humanitarian operations, commissions, groups, delegates, observers, technical personnel, or they were directly dropped in and concealed until D-Day. The Serbian side must be aware that the beginning of possible NATO military operations against it will also signify a large number of disruptions in command and control and that in the psychological area the other two belligerents will get an impetus. It should also be ready for certain losses in its own ranks, but it must also be resolute in all types of resistance to that kind of air strike. After all, the history of warfare has demonstrated that no war plan has ever survived the collision with reality, and that is what frightens the analysts and strategists in Washington and Brussels. There are no NATO planes which could link up the former Bosnia and Herzegovina unitarily if the peoples who live there do not wish it. There is no air force which can cover all guerrilla groups and groups of soldiers in hilly Bosnia.

With its military threats against just one side, at a time when the Croats and Muslims are destroying Mostar in a bloody civil war, the United States is running a terrible risk of creating a European Vietnam. No one, of course, approves the artillery shelling of Sarajevo, the scenes of people fighting for a drop of water in that tortured city are painful and tragic from the standpoint of civilization, and the scenes of the killed and massacred citizens and children are shocking. But is it possible in the name of all that to undertake to kill other children and other citizens? Elegantly, from airplanes, with missiles and bombs. The Americans did not see the faces of their civilian victims, women, children, and the elderly, in Hiroshima or in Nagasaki either. There was no television, but they paid the price in Vietnam. The media could be a terrible boomerang in Bosnia as well....

## Serbia

### DS Welcomes Decision To Accept Geneva Plan

*LD3008133393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1133 GMT 30 Aug 93*

[Text] Belgrade, 30 Aug (TANJUG)—Zoran Djindjic, president of the executive committee of the Democratic Party [DS], said today that the DS welcomes the Srpska republic parliament's decision to accept the Geneva agreement because this move, in his view, leads to peace and the creation of a Serb state on the territory of former Bosnia-Herzegovina. Djindjic underlined in a written statement for the public that, by signing the agreement, the Serbs have met all the conditions set by the international community and have acquired a diplomatic edge, which excludes the possibility of their becoming a scapegoat in case the negotiations end in failure.

Djindjic added that it is now up to the international community to exert pressure on the Muslim side in order to finally bring the war in Bosnia to an end, since the Bosnian Croats have also accepted the plan. "I hope our negotiators will take advantage of the favorable climate at the Geneva talks, and the presence of Butrus-Ghali, and call for the lifting of the sanctions against the Federal Republic of Yugoslavia because there are no longer any reasons for their imposition," Djindjic concluded.

## Macedonia

### Ministry Denies Gligorov Met With Greek General

*AU3008161493 Skopje MILS NEWS in English 30 Aug 93*

[Unattributed report: "Grilakis-Gligorov Meeting Never Took Place"]

[Text] Macedonia's Foreign Ministry denied the articles published in the Greek press on the alleged meeting between the pensioned Greek General Nikolas Grilakis [name as received] and Macedonia's President Kiro Gligorov.

The MFM announcement said that such a meeting was not requested nor did it take place.

## 'Major Rift' in Democratic Prosperity Party

*LD3008140093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1217 GMT 30 Aug 93*

[Excerpt] Pristina, 30 Aug (TANJUG)—Judging by an article carried by today's edition of the Albanian-language Pristina daily BUJKU, there has been a major rift among members of the Party for Democratic Prosperity [ Partija za Demokratski Prosperitet—PDP], the leading ethnic Albanian party in the Former Yugoslav Republic of Macedonia [FYRM]. According to BUJKU, the differences surfaced at the party's annual assembly held in Skopje on Saturday [28 August] when members of the PDP's Tetovo branch called for the resignation of the entire leadership.

Prior to the beginning of the assembly, the Tetovo branch expressed no confidence in Mithat Emini, party secretary, and the members of the Presidency, as well as in Chairman Nevzat Haljilji, which he dismissed as an unstatutory act. The party leadership, the deputies and ministers from the party's ranks in the Macedonian parliament and government, were accused at the assembly session of failing to realize the party's objectives—the realization of territorial and political autonomy, that is, the right to a special status and self-determination for ethnic Albanians in th FYRM. [passage omitted]